

# The National

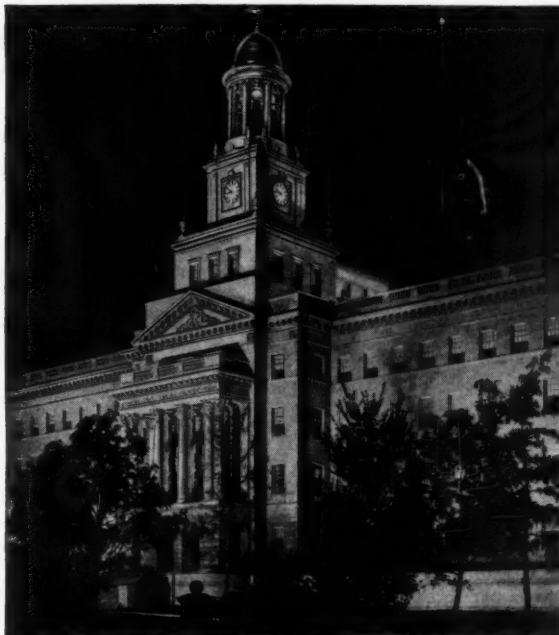
LIFE INSURANCE

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# Writer

FRIDAY, MARCH 16, 1934

## A RECORD OF PROGRESS in 1933



### To Our Friends and Policyholders:

Again the Provident Mutual Life Insurance Company of Philadelphia reports a satisfactory record of security and progress, despite the unsettled economic conditions which prevailed during the year 1933.

**Assets** increased during the year from \$261,387,000 to \$268,225,000.

**Liabilities** total \$249,917,000, including \$5,212,000 for policyholders' dividends in 1934 and two special contingency reserves amounting to \$1,575,000.

**General Contingency Reserves** stand at \$18,308,000, slightly above last year's figures, after making provision for all liabilities and applying \$1,574,000 to write down certain investment values.

**Premiums and Interest** received amounted to \$47,700,000, as compared with \$45,200,000 in 1932.

**Insurance in Force** declined only 4.4% to \$954,411,000.

**Cash and U. S. Government Securities** total \$15,205,000, as

compared with \$7,331,000 a year ago. Other bonds total \$85,883,000 and stocks (mostly preferred) total \$1,549,000.

**Actual Market Quotations** of stocks and bonds—except U. S. Government Securities—were only 9.4% below legal book values as compared with 12.5% at the end of 1932. On all bonds and stocks over 97.3% of all interest and dividend payments due in 1933 was actually received, an enviable record.

A complete copy of the Policyholders' Annual Report, containing a list of the Company's security holdings, will gladly be sent on request.

M. A. LINTON,  
President.

As of December 31, 1933.



## PROVIDENT MUTUAL

LIFE INSURANCE COMPANY OF PHILADELPHIA

Founded 1865

This full-page advertisement appears in the Financial Independence Week issues of the Literary Digest and Time.

# JOHN HANCOCK

## Advertising for March

### tunes in with the

# FINANCIAL

## Independence

# WEEK

### movement

**FINANCIAL INDEPENDENCE through LIFE INSURANCE**

**P**ARENTS with the means to fill their lives with new interests after the children are grown don't become victims of loneliness. Guarantee your financial independence now with a Retirement Fund provides protection for children when most, and income they are on their own. Our booklet about

*Parents' Magazine*  
Issue of March, 1934

*Independent Woman*  
The Instructor  
Issues of March, 1934  
Time  
Issue of March 19, 1934

**FINANCIAL INDEPENDENCE through LIFE INSURANCE**

**T**HE business of earning a living calls for adjustment to other people's whims, prejudices and foibles. All of which is good discipline—but who wants to go on doing it forever? A very small part of today's earnings in a John Hancock Retirement Annuity will truly be yours when you choose to rest. Click rest of the

*Independent Woman*  
The Instructor  
Issues of March, 1934  
Time  
Issue of March 19, 1934

**FINANCIAL INDEPENDENCE through LIFE INSURANCE**

**A**RE you hesitating about getting life insurance until you can afford to protect your family to the fullest extent? It doesn't take much income to give your family financial independence but the lack of it can mean financial distress. Get what you can afford now and keep them safe.

*American Legion Monthly*  
*American Magazine*  
*Cosmopolitan*  
Issues of March, 1934

**FINANCIAL INDEPENDENCE through LIFE INSURANCE**

**T**HE road to financial independence needn't be a joyless one if it is paved with a John Hancock Retirement Fund Policy. The portion of your present earnings it calls for won't take any of the joy out of life now, but it will guarantee you a regular income after retirement, which will continue as long as you live. Let us tell you about it.

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

JOHN HANCOCK INQUIRY BUREAU  
197 Clarendon Street, Boston, Mass.

Please send me information about the many uses of life insurance.

Name ..... State .....  
Street and No. ....  
City .....  
A.C. 3-34

*New Outlook*  
Issue of March, 1934  
*Literary Digest*  
Issue of March 17, 1934

*Nation's Business*  
Issues of March, 1934  
*Spur*  
Issue of March, 1934  
*Business Week*  
Issue of March, 1934  
*Financial Week*  
Issue of March, 1934  
*Forbes*  
Issue of March, 1934

**FINANCIAL INDEPENDENCE through LIFE INSURANCE**

**Y**OUTH seldom is free to choose its work. But age can be. Build now for the financial independence which will make you free for the work, rest or play you'll want when you are older. You can do it, whatever your present income, with a John Hancock Retirement Fund policy. Let us tell you how.

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

JOHN HANCOCK INQUIRY BUREAU  
197 Clarendon Street, Boston, Mass.

Please send me information about the many uses of life insurance.

Name ..... State .....  
Street and No. ....  
City .....  
A.C. 3-34

**FINANCIAL INDEPENDENCE through LIFE INSURANCE**

**Y**OU MAY never be a buyer of life insurance. But the subject is of deep concern to every woman whose financial independence is being protected by a policy on her husband's life. You will want to be as well informed on this subject as on any other which concerns your welfare. Let us send you information.

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

JOHN HANCOCK INQUIRY BUREAU  
197 Clarendon Street, Boston, Mass.

Please send me information about the many uses of life insurance.

Name ..... State .....  
Street and No. ....  
City .....  
A.C. 3-34

**FINANCIAL INDEPENDENCE through LIFE INSURANCE**

**H**AVE you thought of nailing down a little money now to guarantee financial independence in your retirement years, —whatever your fortunes may be? Many business men are finding the annuity plan worth while. Let us tell you about it.

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

JOHN HANCOCK INQUIRY BUREAU  
197 Clarendon Street, Boston, Mass.

Please send me information about annuities.

My birth date is .....  
Name .....  
Street and No. ....  
City ..... State .....  
B.W. 3-74



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Eighth Year—No. 11

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 16, 1934

\$3.00 Per Year, 15 Cents a Copy

### Million Policies Not Taken in Year

Sales Research Bureau Makes Detailed Study of Great Waste

COST IS \$5 TO \$10 EACH

Attitude of Individual Companies Toward Problem Reflects in Experience—Charging Agents Ineffective

HARTFORD, March 15.—More than 1,000,000 life insurance policies written in the United States in 1932 were not taken up by the applicants. The cost of issuing these policies ranged from \$5 to \$10 each, depending on whether or not a medical examination had been made. Charging back a not-taken fee to the agent did not provide a reliable check on the number of cases which were not placed. This check was best maintained by carefully kept records, by separating additional and alternate policies from other not-taken business and by insisting that some cash settlement be made at the time the application was completed.

These are some of the facts brought out in a survey of not-taken business just published by the Sales Research Bureau, and sent out to its member companies. Data for the study was gathered from 81 companies, members either of the Research Bureau or the Life Office Management Association, which has in force over 85 percent of the life business in the United States and Canada.

#### Twenty Percent Not Taken

Taking as a whole the group which reported, it was found that 20 percent of the total number of policies issued during the year were not taken. These policies covered 27 percent of the total face value of all the policies, which indicated that there was a higher rate among the larger policies.

"Not-taken business is a direct loss to life insurance companies," says the bureau in stating the basic problem. "Up to some rather indefinite point, the loss may be justified as a selling cost. When we realize, however, that for every four policies paid for, there is at least one issued but not taken, the seriousness of the problem becomes evident."

#### Great Waste Apparent

"In 1932, there were approximately 4,500,000 new ordinary policies paid for in the United States. This means that there must also have been over a million other policies issued but not taken. When we stop to consider the medical cost only of issuing that many policies, the waste from this source becomes apparent. Added to the cost of the medical examination and the inspection report is the fact that a not-taken policy requires as much clerical routine for its

(CONTINUED ON LAST PAGE)

### Life Insurance Adjustment Bureau Helps 700 Agencies

COMPLETES ITS THIRD YEAR

Relief Organizations Get Much Assistance from Bureau for the Industrial Policyholders

NEW YORK, March 15.—Since inception three years ago this month, the Life Insurance Adjustment Bureau has expanded its activities until now close to 700 agencies throughout the country are making use of its expert advisory services in the handling of life insurance on industrial policyholders who are receiving aid from such agencies. The bureau, a cooperative venture of the Metropolitan Life, Prudential and John Hancock Mutual, was formed because of the situation of impoverished industrial policyholders, and works with city, county and private relief agencies.

Relief agencies are often faced with the problem of adjusting their clients' insurance to give essential coverage without allowing the premiums to take too large a part of the funds of the family. Sometimes the adjustment consists of the company's granting a cash value before it is due under the contract terms, because of extreme need. Or it may be a shift to a lower premium form with a payment of the difference in the reserve in cash, if the policy has been in force a certain length of time.

More relief agencies are constantly availing themselves of the bureau's services. The later additions are largely the newer or smaller agencies, as most of the others are already consulting with the bureau. Dr. Maurice Taylor, director of the Jewish Family Welfare Association of Boston, and author of "The Social Cost of Industrial Insurance," terms the bureau "one of the greatest aids to the companies and to the social agencies in policy adjustments. . . The average return in cash to each family has been about \$55, which in a large number of instances, has saved the agencies from having to grant these amounts as relief, thereby conserving the families' self-respect and the agencies' funds."

#### LITTLE HELP FROM CWA

The natural assumption that industrial companies would benefit from the payrolls released by the Civil Works Administration, according to executives of those companies, is not a fact. It turns out that CWA workers, knowing their employment is temporary, are saving as much of their payroll as possible against the day when they may be without work again. Another tendency which militates against CWA funds going for the purchase of life insurance or keeping existing insurance in force, is the alacrity with which merchants are going after CWA people who are indebted to them. While those who are now on the CWA roll were on relief, the merchants did not press for payment because much of the relief was in kind and the cash payments were never great enough to care for any of the past indebtedness of the man on the relief roll.

Although relief agencies, before the day of the CWA, were prone to refuse

### February Production Total Shows 6.3 Percent Increase

REPORT BY LIFE PRESIDENTS

Figures for First Two Months 7.3 Percent Above Corresponding Period of Last Year

NEW YORK, March 15.—New life production last month was 6.3 percent greater than for February, 1933. For the first two months of this year, the cumulative total was 7.3 percent above the amount for the corresponding period of 1933.

These facts were revealed by a report forwarded by the Association of Life Insurance Presidents to the United States Department of Commerce. The report summarized the new business records, exclusive of revivals, increases and dividend additions, of 42 companies having 85 percent of the total life insurance outstanding in all United States legal reserve companies.

#### Gains in All Classes

For February, the total new business of all classes written by the 42 companies was \$648,073,000 against \$609,725,000 in February, 1933, an increase of 6.3 percent. New ordinary insurance, \$424,395,000 against \$424,483,000, was practically the same; industrial, \$196,816,000 against \$168,400,000, increase 16.9 percent; group, \$26,862,000 against \$16,842,000, increase 59.5 percent.

For the first two months, the total new business of these companies was \$1,313,530,000 this year against \$1,224,156,000 last year, an increase of 7.3 percent; ordinary, \$860,071,000 against \$848,056,000, increase 1.4 percent; industrial, \$393,924,000 against \$336,712,000, increase 17 percent; group, \$59,535,000 against \$39,388,000, increase 51.2 percent.

### Pennsylvania Race Narrowed

PHILADELPHIA, March 15.—It is now considered practically certain that the next insurance commissioner of Pennsylvania will be either G. R. Dette or Irving Bendiner, both of Philadelphia. Governor Pinchot will announce the appointment within the next two weeks.

It is reported that the governor had planned to name former State Senator Weingarten of Dauphin county but with the insurance department "on the spot" in the joint legislative committee investigation, it was felt to be wiser to have an experienced insurance man at the helm.

aid to those who carried life insurance, where there was any cash value available, the Life Insurance Adjustment Bureau of New York and a few other agencies undertook to prevent wholesale cancellation of insurance and, as a matter of fact, many of the people on relief concealed the fact that they did hold policies. They regarded the relief as more or less certain and permanent and not being subject to demands of creditors, kept up their insurance as a rule more zealously than they are now doing when employed with CWA funds.

### Invest In Short Term Governments

Hartford Companies' Financial Experts Give Views on Current Situation

LOWER INTEREST RETURN

Estimate 65 Percent of Current Funds Is Going Into Government Securities

HARTFORD, March 15.—"Principally short term governments" is the pithy but complete answer several investment officials of Hartford life companies gave to THE NATIONAL UNDERWRITER'S query, "What kind of securities are you buying at present?"

After an extended period during which the life companies had little surplus in liquid funds, the majority at present have money they do not know what to do with. Bank balances are high. The explanation of their present attitude of watchful waiting is summed up in the following passage to be found in the annual report of one of the Hartford life companies. "Until it can be determined with greater assurance than at present into what channels the company's investment funds should flow, liquid assets are likely to represent a larger proportion of the whole than any possible demands would seem to require. In the meantime, we shall be content with small interest receipts upon that portion of the funds considered as awaiting investment. It is not often that a gain in interest compensates for a loss in principal. Proprietors may be adventurous. Trustees must be cautious."

#### High Percentage in Governments

Approximately 65 percent of life companies' current investments are in government bonds today, it has been estimated. The reasons such a large percentage of their investments are being made in governments, and why the disposition of the remainder of the funds available constitutes a problem are as follows:

1. There are, outside of governments, no issues of any consequence today.
2. Granting that there were new issues, some officials, as guardians of public funds, confess they would like to see a clearer picture of economic conditions and trends, a more definite outline of governmental policies before they make new long-term investments.

It will be seen that both of the above reasons are directly related to the uncertainties of the period, uncertainties which are expected to continue for some weeks—possibly months—yet.

One of the principal reasons why the securities market had so little to offer the private investor, it has been pointed out, is because the government itself is absorbing the bulk of the new investment.

(CONTINUED ON PAGE 8)

# How Medical Department Works Told by Dr. William Muhlberg

An interesting insight into the medical department's procedure and attitude was outlined by Dr. William Muhlberg, vice-president and medical director of the Union Central, at the meeting of that company's \$500,000 Club.

In the early days, he recalled, selection was based not on an actual examination but on a statement from the family physician. Later these statements were amplified by the request for an examination and soon medical examinations became a necessary requirement. At first they were rather perfunctory, but gradually the requirements were elaborated. Urinalysis was required and in about 1905 the companies started to ask for blood pressure readings and more recently in the larger cases for electrocardiograms and x-ray examinations.

## Commercial Reports

About 30 years ago the companies began to order commercial reports, which are now an important part of the information upon which the medical or underwriting division acts. As technique was refined, the medical departments established their own laboratories.

Medical directors began to demand more accurate statistics and were asking for more elaborate examinations. At first the risk was appraised individually from the basis the physician had gained in his practice of medicine. As time went on the medical directors began to study death losses and investigation developed the theory the individual must be given less consideration than the group in which he belongs.

## Numerical Rating

Some of the larger companies depend largely on numerical rating, from which the medical examination is reviewed, and certain credits and demerits given. The sheet is then balanced and the results in toto decide whether the case is acceptable for standard, substandard

or must be declined. Numerical rating works very well for the larger companies, but the medium sized and smaller companies still prefer the less mechanical method. About 10 or 15 years ago some of the companies started to split up their numerical departments into the purely medical division and the underwriting division. The Union Central adopted this plan in 1930. Through this arrangement medical directors were relieved of some detail work, since lay approvers were given the function of reviewing applications and where the examiner's report and the commercial

report are entirely favorable, approving such cases for small amounts, without a review by the medical officer.

Medical directors feel it is an economic crime to decline an applicant who is eligible and who needs and desires life insurance unless such action is absolutely unavoidable. Every doubtful application is thoroughly investigated. Requests are made for statements by attending physicians or special examinations are requested. Often this is annoying to the agent and sometimes to the applicant, but usually the agent is more put out than the applicant, who is

eager to determine whether he is an insurable risk and whether he is suffering from any impairment.

The hazard of self-selection has developed in recent years. Persons discover through a special examination beyond the scope of the ordinary medical examination that they are bad risks. Some of them thereupon apply for insurance, deny in their application that they have ever consulted a physician within the last five or ten years and thus obtain large coverage fraudulently. Therefore, medical directors have been forced to become more and more rigorous in their requirements and the probabilities are that in the future they will ask for electrocardiograms, x-rays, etc. when only comparatively small amounts are applied for.

Medical directors are making every effort to harmonize their rulings, so that an applicant declined by one company will not be promptly approved by another. Despite the fact that requirements are becoming more exacting, the declination rate is less now than it was 15 or 20 years ago. This is true because the medical director, with more information, feels confident in approving cases today that he would have declined in the past. Furthermore, through the offering of substandard ratings, at least half the applicants who were formerly declined now will be given a policy.

## What a President Does with His Leisure Hours

By A. R. Jaqua

On the evening of Feb. 20, in company with President C. Vivian Anderson of the National Association of Life Underwriters, I left to attend life underwriters association meetings at Nashville, Atlanta and Orlando. From the latter place President Anderson returned home while I continued to New Orleans and Memphis. John Witherpoon, Jr., general agent Pacific Mutual Life, president of the Nashville association, rose before dawn in order to greet us for breakfast there. We were joined at Nashville at breakfast by a native son, "Bob" Creighton, general

the question of membership and then again the Nashville people want to get the National Association of Life Underwriters to meet in their city. In all talks there was considerable comment on replacement and twisting. They are very gripping subjects these days.

President Anderson wanted to see two historic points in Nashville, "The Hermitage," the old home of President Andrew Jackson, and next the "Parthenon," out in Centennial park, which is an exact replica of the old Parthenon of Athens.

In the evening we went to Atlanta.

A. R. Jaqua, associate editor of the "Diamond Life Bulletins" at Cincinnati, has been on a southern tour with President C. V. Anderson of the National Association of Life Underwriters. Mr. Jaqua recounts some of his experiences on the trip.

agent Provident Mutual. A question might be raised as to what life insurance men talk about at breakfast.

President Anderson does not drink coffee and therefore along with his orange juice he seeks a cup of English tea. He questioned the two general agents as to business conditions and found them worrying about how to get new men into production and keep those in the ranks busily engaged. His morning was brightened however by the information that the Nashville association had increased its membership 110 as of Jan. 1 to 182 as of Jan. 15, with 60 industrial men as members.

At the Nashville meeting I led with a talk on "Package Selling," with particular reference to juvenile insurance, insurance on women and step-down insurance. Records were quoted to show that around 30 percent of the business in 1933 was written on children and women including annuities.

## Why Talks Have Appeal

President Anderson took up one of his big topics, "Have You Made Your Will?" and was soon knee deep in large sheets of paper torn from a National Cash Register easel, which as an old N. C. R. man, he uses with considerable skill.

There are two reasons, as I see it, for the success of Mr. Anderson's talks before local associations. In the first place, he uses common place language that everybody knows. He fills his address with illustrations from his own experience. In the next place, he is suggesting a method of procedure just beyond the reach of the agent who considers any sort of study an ordeal and more or less of a nuisance. He pulls aside the curtain and shows a goal toward which any man may strive.

Mr. Anderson had a conference with the officers at Nashville, taking up

Immediately after breakfast, newspaper camera men and reporters descended on President Anderson and had him photographed from all angles and then his opinion was asked on various subjects. Henry Powell, State Mutual general agent, is president of the Atlanta association. He is a northerner who has made good in the south. Fred McMillan, supervisor for the Equitable of New York, is secretary. He had sufficient influence with the newspapers to get considerable publicity. The "Atlanta Constitution" had an excellent editorial on life insurance under the title, "Anderson Address."

## Time Given to General Welfare

To one on the outside looking in, it is interesting to see the amount of time, thought and effort put forth by a comparatively few members of the business on activities that concern all. For instance, at Atlanta telegrams were received from Paul Clark of Boston and Managing Director Hull of the National association, asking that steps be taken to defeat action on taxation of annuities now before the federal senate. These men look after legislation as well as a hundred other things. Often they have to give up important time from their own business to consider these subjects of general welfare. While at Atlanta we were driven out by Mr. Powell to Stone Mountain to see the figures of Robert E. Lee and his horse, "Traveler," with "Stonewall" Jackson and Jefferson Davis alongside. At this time no work is being done. In the evening we were entertained by Wallace Daniel, general agent of the Provident Mutual, in his magnificent home.

We then took the train for Jacksonville, Fla., arriving there early in the morning when Robert Pyle, associate general agent for the John Hancock,

drove us 150 miles to Orlando to attend the state association meeting.

The next day Mr. Pyle drove out through Daytona Beach and St. Augustine. We had a great appetizing fish dinner, then Mr. Anderson took the train at Jacksonville for Cincinnati and I journeyed on to New Orleans.

This is a rough sketch showing the crowded schedule of the president of the National Association of Life Underwriters. He must catch some sleep when he can. He must drink what is offered. He must be alert at all times to further the association activities, locally and nationally. He must hold many conferences and be an oracle. He must make an address that provides real, practical suggestions together with stimulating and motivating suggestions to agents and managers alike. He must uphold the dignity of his office. He must meet with the various committees to decide questions of national policy. Then this particular president must keep up his own personal production and look after his policyholders. He paid for \$250,000 up to March 1.

## Buoyant Spirit in South

Down here in this country one gets a buoyant spirit because he hears of an upturn and successes all along the line. But there are some dark spots found, too. For instance, the National Life & Accident in Nashville shows a fine increase of ordinary. E. B. Stevenson, vice-president in charge of that department, and his associates are doing a remarkable piece of work.

Then here is a man who has written not less than 50 lives for \$500,000 for the last eight years. Contrasted with some of these successes, for instance, is an agency with 103 contracts, the average production in 1933 being \$14,000. Another agency has 24 men, the top man last year writing \$93,000. Most southern cities have from 35 to 60 percent colored population. Then there are many of the white race who are not much better off financially than the Negroes. Therefore the field for ordinary insurance and annuities is restricted to less than half the population.

## Introduces Agency Force to Medical Department



DR. WILLIAM MUHLBERG

Dr. William Muhlberg, vice-president and medical director of the Union Central, in addressing the meeting of the \$500,000 Club of his company, took the agents behind the scenes in the medical department and gave valuable and practical information.



## Mental Attitude Is Subject of Forum

Represents 98 Percent of Sales Problem But Depends on Prospecting

### TAKE UP TIME CONTROL

Discussions in New York Sales Congress Develop Interesting Results of Evening Calls

Two important factors in increasing production are apparently being overlooked by the large majority of life agents, it was brought out at the open forum session conducted by C. D. Connell, general agent in New York City of the Provident Mutual Life, at the New York City sales congress.

W. Stanton Hale, assistant general agent, J. Elliott Hall agency, Penn Mutual, said that office had found by exhaustive investigation that evening calls and luncheon appointments showed a considerably higher closing ratio. Yet when Chairman Connell called for a show of hands, only 10 percent of those present indicated that they averaged as many as two luncheon appointments a week. The figures are of additional significance in that the forum group was attended mostly by the more experienced agents.

#### Mental Attitude Discussed

Time control, mental attitude, and prospecting got the bulk of the attention. It was conceded that mental attitude was perhaps 98 percent of the problem of successful life underwriting, but that this was in turn largely dependent on the right kind of prospecting, for without plenty of prospects to call on there is a tendency to waste time or else keep calling on old, unprofitable prospects merely for the lack of better ones, and in either case a man's morale has a difficult time standing the strain.

The general opinion was that effective prospecting could best be done through time control, and there were a number of testimonials by agents who had made progress in improving their effectiveness by this means.

#### Open Forum on Statutes

Another forum, conducted by R. D. Lichtermann, associate general agent and production manager, Keane-Patterson agency, Massachusetts Mutual Life, was devoted wholly to clarification of the application of Section 55a of the New York insurance law and Section 15 of the personal property law, and the various tax laws affecting life insurance.

The two sections mentioned protect life insurance from the claims of creditors of the policyholder and the beneficiary, respectively. Assisting Mr. Lichtermann in conducting this session were Albert Hirst and D. B. Maduro, counsel, respectively of the state and city life underwriters' associations.

#### Demand for Farms

LINCOLN, NEB., March 15.—Loan agency managers of insurance companies that were compelled to take over scores of farms in Iowa and Nebraska during the last four years, report an increased number of inquiries from prospective purchasers, and are predicting that within the next two years the companies will be able to unload their holdings without loss. This is based on increasing prices, small so far, but steadily increasing.

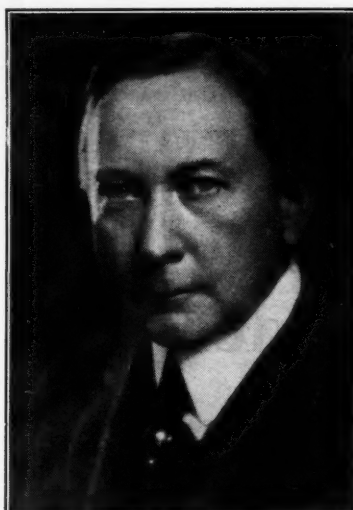
## Promotions by National Life



E. D. FIELD

Some executive changes are announced by the National Life of Vermont. E. D. Field, second vice-president, is made vice-president and put in full charge of underwriting. George B. Young, general counsel, has been elected a vice-president as has also E. S. Brigham, chairman of the finance committee, who served as director since 1923. Dr. E. A. Colton is appointed medical director succeeding Dr. A. B. Bisbee, who has held the office for 46 years.

Mr. Field started with the company as a clerk in the actuarial department in 1897, was made superintendent of agents in 1911 and second vice-presi-



GEORGE B. YOUNG

dent in 1922. Mr. Young has had a large legal practice, becoming counsel for the company in 1916. He has been president of the Vermont Bar Association and vice-president of the American Bar Association. Mr. Brigham is a former member of Congress. Dr. Colton has been assistant medical director since 1905.

#### Exempt Group Policies

RICHMOND, March 15.—The Virginia general assembly has passed a bill exempting beneficiaries of group life insurance from liens, attachments or executions for judgment.

## "THE CORNERSTONE"

Throughout the nation all next week the declaration that life insurance is the cornerstone of man's financial structure will be resounding. Newspaper advertising in 234 cities will carry it. Innumerable window displays, the space generously given by business men, will illustrate it. Company advertising in national magazines will proclaim it. Graphic posters, a myriad of them, will catch every eye. Letterheads and envelopes will bear a multitude of special stamps. Chambers of Commerce, and Rotary, Lions, Optimists, Kiwanis, and similar clubs will be cooperative hosts to thousands of speakers. And the radio will reach its multitudes with ringing addresses and talks.

Let us regard our work—done in an almost gala atmosphere and environment—as an important part of the process of national reconstruction, resultful, both in the near and the far time to come, in far-reaching national benefit.

### THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

## Hercules Life Is Making Progress

Announce Number of General Agents Sign Agency Contract—Premium Rates Given

### ODELL PRESENTS VIEWS

Sears Roebuck Subsidiary Stands Pat on 50 Percent Graded General Agents Commissions

Announcement of premium rates for five popular forms to be sold by the Hercules Life, Sears, Roebuck & Co. subsidiary, and the complete general agents' commission scale which the company offers, was made this week by General Manager Carl L. Odell.

While the Hercules Life officials in Chicago went steadily ahead in their efforts to sign up agents of the reinsured National Life of U. S. A. to an agency contract based on a 50 percent graded general agency commission, apparently with some success, the agents association of the failed company awaited a legal opinion from counsel which would determine whether suit for present value of renewals would be started. It is said, also, that actions by two policyholders are being prepared.

#### Several General Agents Sign

Eight general agents have signed the Hercules Life contract, including two Texas general agents; two have signified willingness to do so, and only five remain unaccounted for, according to Mr. Odell. The Hercules has not negotiated with ordinary agents, leaving that for general agents who sign the new contracts to do and report on results.

The Hercules is licensed in addition to Illinois, in Georgia, Nebraska, Missouri, Texas, Arkansas and Oklahoma, Mr. Odell said. Applications are pending in several other states.

The premium rates announced apply to five popular forms, ordinary life, 15-

(CONTINUED ON PAGE 8)

### Creditors Get Major Part of Pittsburgh Trust Fund

PITTSBURGH, PA., March 15.—The heirs of the late Harrison Nesbit, former president of the closed Bank of Pittsburgh, have lost their fight to retain the entire amount of life insurance left by him at the time of his death in 1931.

The United States Supreme Court last week denied the petition of Mrs. Nesbit and her three children for a review of the opinion of the Pennsylvania supreme court, which awarded the family only \$267,878 of an insurance trust fund of \$755,655.

The difference, amounting to \$478,000, goes to creditor banks which had brought suit against the estate on the ground that Nesbit was insolvent at the time he set up the insurance trust and did so with intent to defraud his creditors. Judge J. H. Gray in the Allegheny county court, had awarded \$550,000 to the Nesbit heirs and had ordered the remainder of the insurance money paid to his creditors. The Pennsylvania supreme court, in modifying decree, ordered proceeds of all policies which had been changed by Nesbit in setting up the insurance trust to be paid to his creditors. Those not changed went to his family.

## 89-Year Record of Protection to Policyholders

Since it started business in 1845, this Company has paid to policyholders and beneficiaries over \$3,910,000,000. *Over one billion dollars of this amount was in dividends.*

The stability of this strong mutual company has been particularly demonstrated during the past four years of business depression. In every one of these years, income has exceeded disbursements.

Throughout all the years—during every panic, every war and every epidemic down to the present hour—the New York Life Insurance Company has met every obligation to its policyholders and beneficiaries; it is amply prepared to continue to do so throughout the life of every one of its insurance and annuity contracts.



HOME OFFICE BUILDING

### NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

## New Annuity Tax Proposal Opposed

Roger Hull, Byron Elliott, G. W. Cox, Appear Before Senate Committee

### DISCRIMINATIONS CITED

Insurance Representatives Attack the Plan to Tax Annuity Payments From Inception

WASHINGTON, D. C., March 15.—Condemning the efforts of the house of representatives "by legislative fiat to declare something to be income which is not income," life insurance representatives appearing before the senate finance committee urged rejection of provisions in the pending internal revenue bill proposing a change in the method of taxing annuities.

The insurance committee consisted of Roger B. Hull, managing director National Association of Life Underwriters; Judge Byron K. Elliott, manager American Life Convention, and Guy W. Cox, general counsel, John Hancock Mutual Life. They challenged the constitutionality of the proposal.

#### Old and New Systems

Whereas the present law taxes a man on his annuity premiums after he has received back what the annuity has cost him, and then assesses him upon the entire annuity payments received thereafter, the new proposal would assume, that of the annuity payments, the annuitant receives three percent on the cost of the annuity as interest and that this latter should be reflected in his income tax return. This, they averred, is wrong in theory and could not be applied with any degree of equality to the individuals who are paying the tax.

In the opinion of Judge Elliott, adoption of the provisions would tend to discourage the sale of annuities, which he pointed out, are one of the principal means by which people can provide an income for their own old age.

#### Against Public Policy

"At a time when the government is expending more and more money in old age pensions," he said, "It would seem to be against public policy to interfere, without even a certainty of increase in the former, with the execution of contracts by which the individual provides for his declining years."

He explained that the proposed new method would discriminate between individual annuitants in three ways: It would cause the man who dies before receiving back his principal to pay a tax without receiving any interest benefits, while his neighbor living to a ripe old age may have his principal back and be paying on only a small percent of his profits from the transaction.

It would cause the immediate annuity purchaser to pay a larger amount on his annuity payments than the deferred annuitant would pay on the same sized annuity.

It would not be equal as between the man who has received part of his payments and the man whose annuity is just commencing.

#### Tax Free Securities

He called attention also to section 23 (B) of the bill allowing deductions from gross income, which nevertheless disallows as a deduction interest on "indebtedness incurred or continued or the proceeds of which were used in connec-

## Goes to Dallas



ARTHUR COBURN

DALLAS, March 15.—Arthur Coburn, vice-president, member of the board and member of the executive committee of the North American Reassurance of New York and formerly president American Institute of Actuaries, was elected vice-president Southwestern Life at annual meeting of the board. Mr. Coburn will relinquish his New York connections immediately and take up his new duties in Dallas. He was in Dallas for the Southwestern Life board meeting. The election of Charles F. O'Donnell as president at a special board meeting last week was confirmed at the regulation session this week.

Mr. Coburn is one of the outstanding actuaries and administrative officers in the business. He has had a splendid experience and has the confidence of all who know him.

Mr. Coburn for five years was assistant actuary of the Northwestern Mutual Life. At one time he was connected with the New York Life. He is a member of the Actuarial Society of America, as well as the American Institute,

tion with the purchasing or carrying of an annuity.

"This," said Judge Elliott, "is going to great lengths to discriminate against annuities. They are taxed in one section and treated as tax-free securities in the next."

Pointing out that the question of taxing of annuities is as old as any question of taxation, Mr. Cox inquired of the finance committee, "why the sudden change?" He expressed the opinion that "It is unconstitutional by legislative fiat to declare something to be income which is not income, and which the courts have pretty plainly indicated is not income. Therefore, we suggest," he continued, "that this tax will only cause litigation and probably no one will pay any considerable amount until the courts settle the question and so why introduce it at this time?"

No indication was given by the committee members of their attitude on the question of annuity-taxation. A discussion of the points raised by the insurance representatives will occur when the committee goes into executive session to consider what revisions of the provisions of the bill as a whole should be made.

#### Shipley Is Central Manager

E. V. Shipley has been appointed manager of the central division of the Occidental Life, with headquarters at Denver. He will have charge of agency organization work in the territory.

E. W. Broadhurst, 56, Dallas district agent of the Texas Life, died this week at his home in Dallas.



## Peoria Mutual Life Expert Now Opposed to Program

### HIGDON REVERSES POSITION

Actuary Employed by Receiver Shurtleff Criticizes Mutualization Scheme  
—J. M. Crume Brought Into Case

A letter from John E. Higdon, former actuary of the Missouri insurance department, and now a consulting actuary at Jefferson City, Mo., in which he stated, in connection with the proposal to form the Peoria Mutual Life to take over the business of the Peoria Life, that "There is no new company, and never will be, for its proponents do not have intelligence enough to comply with the law," was introduced in the hearing on the mutualization plan. "If the superintendent of insurance," the letter stated, "stands on his legal rights and does not waver there will be no new company."

Mr. Higdon was employed in the first instance by George Shurtleff, co-receiver for the Peoria Life, whose appointment by Judge Niehaus of Peoria is being challenged by Insurance Director Palmer of Illinois, to draft a mutualization and reinsurance proposal.

#### Written to G. W. Hunt

The letter was written to George W. Hunt, who is opposing the mutualization. Mr. Higdon had been subpoenaed to appear at the hearing, but because of ill health returned to his home before the hearing.

Mr. Hunt also introduced another letter, of which Hunt was the author, to Dr. J. C. Simmons of Canton, Ill., concerning a meeting of Fulton county policyholders of the Peoria Life.

In that letter, Mr. Hunt stated the proponents of the mutualization, on the surface, have a plausible story, but their witness, James M. Crume of Chicago, is not an actuary. Mr. Hunt suggested that the policyholders appoint a committee to investigate Crume. In that letter, Mr. Hunt said that Mr. Higdon would not approve the mutualization plan and the proponents of the plan did not propose to put him on the witness stand. For that reason Mr. Hunt said he caused Mr. Higdon to be subpoenaed, "because they were going to ship him back home."

"He was in ill health," the letter continued, "and was not being paid, and I did not make it obligatory upon him to remain here or be in contempt of court."

#### Crume Behind Scenes

Crume, apparently, is one of those behind the scenes in the Peoria Mutual Life scheme. He has been identified with several transactions in connection with defunct companies in the last two or three years. He was made receiver for the Chicago National Life, in an unusual court order in which he was directed to turn the business of that company over to the Pacific States Life of Hollywood, Cal. The Pacific States was subsequently barred from Illinois. He made a proposition in connection with the Illinois Life and for the National Life, U. S. A., although his plan was thrown out because there was no financial guarantee. He was also interested in the defunct Old Colony Life and has been interested in some of the ancillary receivership proceedings in connection with the Missouri State Life. He was at one time general agent in Chicago for the Reserve Loan Life and at another time for the Manhattan Life.

Crume was cross examined at one of the hearings by Assistant Attorney-General Kadyk, counsel for Mr. Palmer in this case. He admitted he had made an error when he had testified earlier that liens in the Peoria Mutual proposed contract expired Dec. 21, 1943, while those in the Hercules Life contract expired Dec. 21, 1948. As a matter of

fact the Hercules Life liens expire in 1943, he said.

Mr. Crume, in cross examination, denied that he was to get \$7,000, as the author of the mutualization plan.

### Equitable Holds Congress

The metropolitan district sales congress of the Equitable Life of New York this week had as its speakers F. J. Mulligan, Guardian Life of New York, and president New York City Life Underwriters Association; Isidor Hirschfeld, prominent personal producer of the I. A. Lewis agency of the Equitable in New York; and G. E. Tarbell, director of the Equitable and former head of its agency department.

The congress was sponsored by the local board of managers and was under the direction of Harold Letcher, manager in Brooklyn.

### Otto E. Seiler in New Connection

Otto E. Seiler has resigned as Chicago general agent of the Fidelity Mutual Life to become associated with the Williamson & Wellbeloved agency of the Connecticut Mutual in that city as associate general agent. Mr. Seiler has had many years experience in the business.

## Ernest Palmer Honored by Insurance Lawyers

Insurance Director Palmer of Illinois and a number of his staff were honored by the Chicago Life Insurance Lawyers Club at a dinner in that city Monday evening. This is an annual event of the club and is an occasion for testimonials, well springled, however, with pleasantries.

L. A. Stebbins, perpetual president of the club, turned the meeting over to his new partner, William McKinley, who performed as toastmaster with much wit.

Among those called on for brief remarks were Chief Justice DeYoung of the Illinois supreme court, Judges O'Connor, Gridley and Hall of the Illinois appellate court, first district; Alfred MacArthur, president Central Life of Illinois; W. H. Eckert, secretary lawyers club; Rufus M. Potts, former Illinois insurance superintendent; G. E. Humphrey, president Hercules Life, who remarked, with a smile, that many in the insurance business seem to regard his company as public enemy No. 1; R. F. Baird, general counsel Lincoln National Life; L. L. Bomberger, lawyer, Hammond, Ind.; Assistant Attorney-General Kadyk; Ray Haffner, actuary Illinois de-

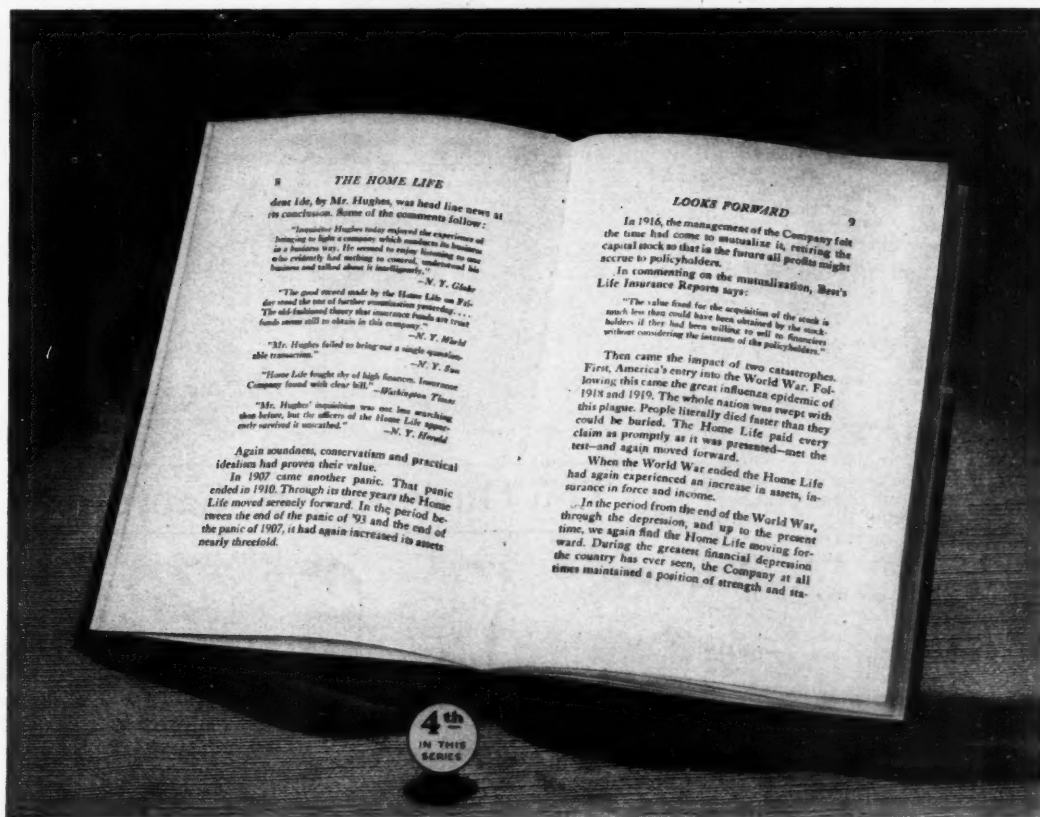
partment; Hiram McCullough, office manager Illinois department; H. G. Royer, president Great Northern Life; Chase Conover, chief examiner Illinois department; Ed. Craig, president Builders Life, and Attorneys Charles Rundall, Homer Cooper, Joseph Hinshaw, L. F. Binkley and Nathaniel Rubinkam.

Mr. Palmer responded by telling some of his objectives. He said he hopes in the 1935 legislature to have a first-class insurance code passed. He defended the practice that he instituted of making public examination reports and predicted that other states would adopt the same course. He pointed out that the insurance taxes collected in Illinois amount to about \$6,000,000 while the expense of administering the insurance laws is only about \$500,000. He pointed out these taxes are in reality paid by the policyholders and they deserve the best supervision that can be provided. He said there are 1,488 companies in Illinois and 70,000 agents and brokers. Incidentally he referred to the Peoria Life controversy as a "ridiculous mess."

### Life Notes

It was erroneously reported that W. R. Shirley is president of the Acme Life of Texas. W. A. Keeling is president.

F. R. Fisher, vice-president of the American Central Life of Indianapolis, is on an extended trip through the southwest.



This is one of a series of advertisements, reproducing the pages of a new book, "The Home Life Looks Forward", which has just been published. If you care to have a copy of the entire book, write now to Cecil C. Fulton, Jr., Superintendent of Agencies.

# HOME LIFE INSURANCE COMPANY

256 BROADWAY, NEW YORK, N.Y.

ETHELBERT IDE LOW  
Chairman of the Board

JAMES A. FULTON  
President

## Federal Reserve Pleased with Its Life-Time Plan

### MUCH WASTAGE ELIMINATED

#### President Bushman Finds Interesting Implications in New Program of Compensating the Agent

After several months of trial, President B. F. Bushman of the Federal Reserve Life of Kansas, announces that the management of the company is convinced that the so-called life-time plan of the Federal Reserve was soundly conceived. Under that plan, the agency contract provides specific remuneration for service, renewal, conservation, etc.

The Federal Reserve plan is an attempt to get back to first principles, according to Mr. Bushman. It is an attempt to eliminate wastage in the business, by undertaking to pay the agent for what his work should be and giving tangible recognition to persisting, quality business.

Under the plan, mass recruiting is eliminated. The contract provides that the agent must make a decent living if he is to remain with the company.

In the past, companies have been able to cover a part of high acquisition cost with high interest earnings. Now such profits cannot be depended upon in the future to cover acquisition deficit.

#### Sure Foundation Needed

To issue contracts payable many years hence, Mr. Bushman said, there must be a more certain foundation than the expectation of high interest rates. Mr. Bushman said that a sure foundation cannot be built by writing annuities in trainload lots, putting out contracts netting 4½ and 5 percent to policyholders, or issuing noncancellable agency contracts that have no relationship to the quality of business.

In the last five or six years, the amount of business written is about the same amount as the business in force at the end of the period. The public has paid in acquisition cost for all of the business that has lapsed. The business wasn't properly sold. Funds for old age retirement can only be built up by policies that are not borrowed on and are not lapsed. Every policy should be part of a program and it is up to the agent to make life insurance fulfill its full measure of benefit. He must render the same type of service to the small as the large policyholder.

"We are wholly committed to the plan," Mr. Bushman asserts, "and have burned our bridges behind us. We will quit the life insurance business forever before we will turn back."

The Federal Reserve plan was developed over a long period by Mr. Bushman, Vice-President George L. Grogan and other executives.

## Gathering of Fidelity Mutual

### Managers From All Sections Assemble at Head Office for Annual Conference

Managers of the Fidelity Mutual spent three days in their annual conference at Philadelphia. The group assembled at the head office under the direction of Vice-president and Manager of Agencies F. H. Sykes.

J. M. Holcombe and his associate, J. Harry Wood, of the Life Insurance Sales Research Bureau, alternated in developing the themes of agent prospecting, training and time control. One session was devoted to a more intimate discussion of agency building. The Managers Association elected officers: President, L. A. Cerf, Jr., New York City; vice-president, J. B. Campbell, St. Louis; secretary-treasurer, T. M. Green, Baltimore; new members of executive

## Do Good Piece of Work

Congratulations from every side have been showered on Chairman Lloyd Patterson and Vice-Chairman John J. Gordon for their respective roles in putting across the highly successful New York sales congress. The boldness of the experiment of having two shifts of eight simultaneous sessions would have given them the right to high praise even if it had proven a failure. But the multiple session plan worked so well that there is every reason to believe that the same idea will be followed at next year's sales congress.

Mr. Patterson is one of the many distinguished alumni of the L. A. Cerf, Sr.,



JOHN J. GORDON



LYOYD PATTERSON

agency of the Mutual Benefit Life of New York City. Before joining that agency he was an architect. He is now general agent of the Massachusetts Mutual Life with Donald Keane.

Mr. Gordon is general agent of the Home Life in New York City, and was formerly general agent in Chicago. In his pre-insurance career he was a newspaper reporter in Minneapolis.

committee: Carroll H. Jones, Columbia, S. C., and C. A. Scholl, Chicago.

At one meeting the program was opened by E. H. Schaeffer, Harrisburg, Pa., speaking on time control. Following him, Dr. J. L. Siner, medical director, spoke on the company's program with respect to examiners.

Secretary R. F. Tull followed with an analysis of the 1933 submitted business, calling attention to factors under control of the agents which were instru-

mental in deciding the disposition of that business. The conference was closed with discussions by C. T. Feddeman, agency assistant, of the effect of lapse on the earning capacity of the manager and by Vice-president and Comptroller J. R. Sykes on the factors bearing upon overhead agency costs.

The *Columbian National* will be represented in Buffalo, N. Y., by the *Charles F. Joyce Company*, which also is general agent of the United States Life.

## Ten Outlaws Are Captured



Ten outlaws and "app" rustlers were captured in the old-time "western round-up" of the Central States Life of St. Louis, which has just been completed. They are: I. M. Gloomy, Crepe Hanger Charlie, Ivan Awfultime, Bell E. Ache, Tom E. Rott, C. De Ruin, Noah Plication, Ben Tootired, Able Butt Lazy and Seymour Slump. The outlaws are shown in the accompanying picture.

Sheriff's handbills offering \$25 reward were issued on each man and quotas assigned the "ropers," "wranglers," "top hands," and "experienced gunmen" of the Central States "Ranch." News of the pursuit and capture of the bandits wanted in the round up was carried through the columns of the "Chuck

Wagon," a mimeograph news-sheet which was printed in the "Sheriff's Office."

The campaign ended March 3 with a 52 percent increase in production over the previous six weeks. Range riders who shot down the outlaws were: Bed Rock Golden, Bulldogger Downs, Wells the Klondike Kid, Hairy Carter, Big Mitt Mitton, Big Bob Mayo, Big Bull Benton, Lefty Wright, Cyclone Clark and Comanche Fisher. Bulldogger Downs and Madhouse Donoho received grand awards for largest volume and number of applications. The campaign was originated and conducted by Alan Beck, agency assistant Central States Life.

## Agree to the Amendment in the Replacement Clause

### JONES MAKES ANNOUNCEMENT

#### Chairman of Special Committee States 53 Companies Have Signed Plan to Amend Pact

F. L. Jones, vice-president Equitable Life of New York, chairman of the special committee on life companies entering into the replacement agreement, announces that 53 companies have signed the plan to amend paragraph 3 of the original agreement to include the process of exchanging the names of agents in cases submitted for replacement. Others in the original group of 83 signatory companies, Mr. Jones states, will likely agree to the amendment. The amended paragraph reads as follows:

"When a company shall receive an application for new insurance which apparently will replace outstanding insurance in another company, it shall promptly notify the other company, including in its notification the name of the agent submitting the application, and shall delay the issuance of the new insurance for at least two weeks so that it may hear from the other company and the other company may have opportunity to conserve its business. If a company shall learn that a replacement of its insurance has been made or is contemplated in another company, it shall feel at liberty at once to notify the company involved."

The italics in the above paragraph constitute the entire new amendment to the original agreement.

## Iowa Probe Measure Tabled

### State Senate Pigeonholes Move to Investigate Insurance Department in Fraternal Merger

DES MOINES, March 15.—A resolution seeking a legislative investigation of the Iowa insurance department in connection with a merger of the Modern Brotherhood of America with the Independent Order of Foresters was tabled by the Iowa senate. The house of representatives, earlier in the special session, had adopted the resolution by a large majority.

A majority of the senate insurance committee headed by Senator I. H. Knudson voted the resolution out on the senate floor without recommendation. A minority report signed by three democratic members of the committee recommended full investigation.

It was charged in the resolution that the insurance department permitted the merger with knowledge that large sums of money were paid Modern Brotherhood officials and directors of the Foresters in return for the reinsurance business of the Brotherhood. This contention was denied by the department.

Two legal actions involving the subject matter of the dispute are pending, one in federal district court at Cedar Rapids and the other in state district court at Davenport.

## Anger Michigan Manager

Roy Anger, for many years manager in Detroit for the National Life, U. S. A., on March 15, became state manager for the Guarantee Mutual, succeeding E. G. Squires of Grand Rapids. On March 19 he will open offices at 1034 Michigan Theater building, Detroit. The present Detroit branch, under Manager H. T. Petersen, will move from 1309 Lafayette building to the new location. Frank Ehlen, formerly of Columbus, O., has been appointed state supervisor and Mr. Petersen, who managed the Detroit branch for seven years and was for 11 years prior to that at the home office in Omaha, remains as agency supervisor.



## FINANCIAL INDEPENDENCE WEEK HEAD



HENRY E. NORTH

Next week will be Financial Independence Week in which life insurance men the country over will stress legal reserve life insurance as one of the big factors in building an estate and competence that will put people out of the dependence class. A strong committee made the arrangements for this particular week, it being headed by the militant Henry E. North, second vice-president Metropolitan Life.

Mr. North is known both for the soundness and progressiveness of his selling and educational ideas and for his dynamic manner of putting them across. As director of the Metropolitan's field education he has been responsible for the development of a series of planned sales presentations and organized prospecting methods which

## Rogers Caldwell Fine Hand Seen in U. S. Court Decision

The United States circuit court of appeals at Cincinnati has reversed the judgment of District Judge Cochran of eastern Kentucky in issuing a mandatory injunction requiring the receiver of the National Bank of Kentucky to pay the Missouri State Life dividends of 67 percent on two certificates of deposit totaling \$500,000. The appellate court holds that through Rogers Caldwell's manipulations, the National Bank of Kentucky exchanged two certificates of deposit aggregating \$500,000 given to it by the Associated Life Company as security for a loan for new certificates in the same amounts to the Missouri State Life, which had purchased the original certificates from Caldwell & Co. The bank made the exchange only on the assurance of Caldwell that the agreement of the Associated Life Company would be binding on the Missouri State and that the certificates would not be cashed until and if the note of the Associated Life Company be paid.

In the opinion a sketch of the operations of Caldwell indicates that his connection with the Associated Life and the Missouri State Life was such as to dominate both companies and that the Kentucky bank was justified in assuming that any statement he made orally to it with respect to the two certificates of deposit for \$500,000 was binding as to each of the companies. The appellate court therefore finds that Judge Cochran was in error in concluding that the Missouri State Life was not bound by the agreement of the Associated Life with respect to the cashing of these certificates and also that he was in error in holding that the issue of the substituted certificates by the bank was a waiver of its rights to the payment of the note.

prior to the cashing of the certificates. have reduced successful selling to its practical essentials and strikingly increased the effectiveness of the company's agents. It was he who introduced the use of slide films synchronized with phonograph records to give the agent the best possible idea of not only what he should say but also what he should do while making his planned talk, a somewhat intangible factor to deal with, but nevertheless an extremely important one in view of the possibilities of "woodenness" in a memorized sales presentation.

## Popular with Managers, Agents

Mr. North is extremely popular with the managers and agents of his company and highly regarded as a speaker on life insurance selling problems wherever he has appeared. A former agent himself, he has never forgotten that the field man's problem is selling, and that his main interest is in pointers of value in his endeavors. With it all Mr. North is able to weave an inspirational message into this practical advice, and the type of enthusiasm he arouses is not the kind that cools and fades, for

his messages are based on keen insight and workable solutions.

## New Features This Year in the Unique Manual Digest

The 1934 edition of the Unique Manual-Digest will probably be one of the most interesting since the first issue was published 36 years ago. A survey of the insurance field shows that 75 percent of the insurance written is placed in the 16 larger companies. The greater interest and greater need for information will be that which concerns these companies. With this idea in mind, the rate exhibits for these companies will be printed in a special large, legible type which will make reference an easy matter. There is also always interest in the smaller companies which do a largely local business, sometimes operating in only one state. The Unique Manual-Digest's policy of showing information on all legal reserve companies will be continued. The book is the only one published giving information on all companies.

A feature this year will be a greatly enlarged dividend showing, ordinary life forms being emphasized particularly, although a detailed showing will be given

for an average of 5 policies in addition to dividends on as many as 25 policies in some cases.

Much of the life insurance sold recently has been sold with the investment idea in mind and prospects are interested in learning how life insurance compares with other types of investments and what the return will be. Certain features of the new Digest will lend themselves to the calculation of old age income produced by the present insurance carried.

## Would Increase Kentucky Tax

FRANKFORT, KY., March 15.—The Kentucky house has passed a bill to create an old age pension fund by increasing the insurance premium tax 1 percent. This would mean that life premiums would be taxed 3 instead of 2 percent, and the fire premium tax would advance from 2½ to 3½ percent. A half cent extra tax is tagged on fire premiums for costs of the department of fire prevention and rates.

The bill has not passed the senate and with the legislature adjourning this week, it may not get through.

March is "Sweeney Month" with the State Life of Indiana in honor of President Robert E. Sweeney.

## Financial Statement DECEMBER 31, 1933

AS REPORTED TO THE INSURANCE DEPARTMENTS OF THE STATES IN WHICH WE OPERATE

ASSETS	
Cash .....	\$ 220,792.31
Bonds .....	
United States Government .....	\$ 300,742.18
State, County & Other Municipals .....	854,166.53
Newfoundland Government & Canadian Provinces and Cities .....	672,405.31
Railroad Equipment Trusts .....	186,056.05
Railroad First Mortgages .....	176,177.16
2,189,547.23	
First Mortgages .....	
City Mortgages .....	6,935,515.27
Farm Mortgages .....	2,304,698.84
9,240,214.11	
Policy Loans .....	3,167,428.39
Secured by policy reserves .....	
Real Estate and Contracts for Deed .....	2,236,279.74
Premiums Due and Deferred .....	247,679.75
Other Assets .....	215,655.55
TOTAL ADMITTED ASSETS .....	\$17,517,597.08

LIABILITIES	
Reserve on Outstanding Policies .....	\$14,947,969.27
Reserve on Policy Claims Payable in Installments .....	396,678.55
Reserve for Policy Claims—Proofs Not Received .....	54,646.44
Reserve for Taxes Payable in 1934 .....	61,449.89
Premiums and Interest Paid in Advance .....	103,872.46
Commissions, Medical Fees and Other Items .....	13,058.50
Capital Stock .....	\$1,000,000.00
Reserve for Contingencies .....	275,000.00
Unassigned Funds .....	664,921.97
TOTAL SURPLUS TO POLICYHOLDERS .....	1,939,921.97
TOTAL LIABILITIES .....	\$17,517,597.08

\$1.12 of Assets for every \$1.00 of Liabilities

PAID POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION OVER TWELVE AND THREE QUARTER MILLION DOLLARS

Income During 1933

\$3,066,539.83

Insurance in Force

December 31, 1933

\$77,039,562.00

*The*  
**OLD LINE LIFE**  
*Insurance Company of America*  
MILWAUKEE, WISCONSIN  
LIFE—ACCIDENT—HEALTH

## Hercules Life Is Making Progress

(CONTINUED FROM PAGE 3)

and 20-payment life, 20 year endowment and five year term. The Hercules' policies will be participating, but the dividend scale has not been announced. While the gross rates do not clearly indicate it, the dividends, it is believed, will give a net cost that will permit the company to make a strong price bid for business. The premium rates are:

### Announce Premium Rate Scale

Age	Ord.	20	15	20 Yr.	5 Yr.
15.....	\$15.25	\$24.04	\$29.20	\$45.56	\$ 9.29
16.....	15.54	24.39	29.61	45.60	9.32
17.....	15.84	24.74	30.04	45.64	9.38
18.....	16.16	25.11	30.49	45.68	9.43
19.....	16.50	25.50	30.95	45.72	9.49
20.....	16.85	25.90	31.44	45.77	9.55
21.....	17.21	26.33	31.94	45.81	9.61
22.....	17.60	26.75	32.46	45.87	9.68
23.....	18.01	27.20	33.00	45.93	9.74
24.....	18.44	27.68	33.55	45.99	9.81
25.....	18.88	28.16	34.14	46.05	9.90
26.....	19.35	28.66	34.74	46.12	9.99
27.....	19.85	29.19	35.36	46.20	10.08
28.....	20.36	29.74	36.01	46.28	10.18
29.....	20.91	30.30	36.69	46.38	10.29
30.....	21.49	30.89	37.39	46.48	10.40
31.....	22.10	31.51	38.11	46.60	10.53
32.....	22.74	32.15	38.86	46.73	10.68
33.....	23.41	32.81	39.65	46.86	10.81
34.....	24.13	33.51	40.46	47.02	10.98
35.....	24.89	34.25	41.31	47.20	11.16
36.....	25.69	35.01	42.19	47.39	11.36
37.....	26.53	35.80	43.11	47.61	11.59
38.....	27.43	36.64	44.08	47.86	11.83
39.....	28.38	37.51	45.06	48.13	12.09
40.....	29.38	38.44	46.11	48.45	12.39
41.....	30.45	39.40	47.20	48.79	12.71
42.....	31.68	40.43	48.34	49.19	13.09
43.....	32.79	41.50	49.53	49.62	13.50
44.....	34.08	42.64	50.78	50.13	13.98
45.....	35.44	43.84	52.08	50.68	14.53
46.....	36.89	45.10	53.46	51.31	15.15
47.....	38.44	46.45	54.90	52.01	15.85
48.....	40.09	47.81	56.43	52.80	16.66
49.....	41.85	49.19	58.05	53.68	17.58
50.....	43.74	51.03	59.71	54.66	18.60
51.....	45.74	52.54	61.49	55.75	19.74
52.....	47.86	54.15	63.36	56.95	21.01
53.....	50.14	55.86	65.34	58.30	22.43
54.....	52.58	57.70	67.43	59.78	24.00
55.....	55.16	59.66	69.64	61.42	25.75
56.....	57.93	61.77	72.00	63.24	27.69
57.....	60.89	64.02	74.50	65.24	29.83
58.....	64.04	66.43	77.16	67.44	32.19
59.....	67.43	69.02	80.00	69.86	34.80
60.....	71.04	71.82	83.04	72.53	37.69

The general agency commission scale on which the Hercules management is standing is:

### Commission Basis Offered

Kind of Policy	1st Year	2nd & 3rd Yr.	4th to 10th Yr.
Ordinary Life.....	5%	12 1/2%	7 1/2%
20 Pay Life.....	47 1/2%	12 1/2%	7 1/2%
15 Pay Life.....	45%	12 1/2%	7 1/2%
20 Year Endow....	42 1/2%	10%	7 1/2%
Five Year Term.....	35%	7 1/2%	

(First year commissions on five-year term are fixed on the presumption that term insurance shall not exceed 25 percent of the total annual agency paid for production. First year commissions on term insurance exceeding 25 percent of the total annual agency paid for production shall be 10 percent less.)

Agents argue that this scale is much less than the conservative New York scale under which some companies pay general agents 65 percent graded first year commissions, some pay as high as 12 1/2 percent second year commissions and 7 1/2 percent renewals.

The commission scale applies, of course, only to new Hercules Life insurance. The reinsurance agreement

sets 5 percent as the maximum renewal commission that can be paid. General agents who will service National Life, U. S. A., business, will have to take a part of this (the usual collection fee being 2 1/2 percent) to pay expenses, leaving ordinary agents much reduced renewals. The effects of the company failure on agents may be seen in the cases of some older agents who are said to have had contracts calling for lifetime renewals, some as high as 9 percent.

The National Life, U. S. A. general agents who dissent from the Hercules proposal point out that from the scale must be deducted general agents' collection fees and overwriting commissions, leaving ordinary agents a commission much less than obtainable from some of the largest and strongest companies in the business. The scale, the agents say, will not attract the American agency forces, despite other possible inducements of hookup with the great Sears, Roebuck & Co. organization.

### May Rewrite in Emergency

Some of the agents consider the National Life U. S. A. business will be jeopardized through failure to sign a large proportion of the agents, and are making plans in emergency to rewrite their business elsewhere. One general agent estimates he can salvage 90 percent of his volume in force. He has prepared a statement showing approximately \$13,000 loss to his policyholders through rewriting elsewhere and plans to absorb this loss himself if rewriting appears necessary to him.

On the other hand, Mr. Odell told THE NATIONAL UNDERWRITER this week, he considers the Hercules contract a prize for any agent.

### Odell States His Views

Mr. Odell took exception to statements that the Hercules was weakened by not having a life company executive of long experience, by practical elimination of the actuarial and medical departments, by lack of trained life company, investment men, etc.

He said the Lee J. Wolfe firm, New York consulting actuaries, have been retained to direct the actuarial work on a permanent basis, they having W. M. Corcoran in the Hercules office at present. It has not been decided what permanent arrangement will be made as to a resident actuary, but the actuarial department in the home office will not be abolished.

The National Life, U. S. A. medical department is being continued on reduced basis in the person of Dr. W. S. Timblin, who for some years has been assistant to Dr. W. A. Jaquith, medical director. Dr. Timblin is a Travelers-trained medical man, having served in the Travelers' Chicago branch office.

### Considered Largely Routine

According to Mr. Odell, the actuarial and medical selection functions of a life company have come to be largely routine, the principles now being well known. Mr. Odell considers the Hercules could not go far wrong by following practices of other good companies.

So far as mechanical details of company operation are concerned, Mr. Odell believes Sears, Roebuck manage-

ment need take lessons from no one. He said costs and economies in Sears, Roebuck subsidiaries are calculated to the hundredth part of a cent. The task of mailing out certificates of assumption of National Life, U. S. A., business recently was done without extra employees in a five-day period when it had been estimated 15 to 20 extra employees would be required. Secretary W. N. Lowe, in charge of such details, is a Sears, Roebuck-trained man.

### Odell in Charge of Agencies

Mr. Odell said he considered his long experience in life insurance amply qualified him to take over control of the agency department, which he has done. He could find no unique investment problems in the life insurance business which the board and finance committee of Sears, Roebuck could not handle with great safety to policyholders. As a matter of fact, he said, the Hercules could operate successfully upon a net return on assets of 1 1/2 to 2 percent. It is largely on this calculation that the Hercules for some time will avoid all investment difficulties by buying solely government securities. Mr. Odell pointed out that the Hercules so far has no liabilities, and this item will be small for some time to come.

Receiver P. J. Lucey of the National Life, U. S. A., has set April 9 as the final date for filing claims.

### ADVISES PEOPLE TO CONTINUE

BIRMINGHAM, ALA., March 15.—Commissioner Greer of Alabama has written policyholders of the National Life, U. S. A., that their interests would be best served by continuing their policies in force with the Hercules Life which reinsured the risks. He expressed faith in the backing of Sears, Roebuck & Co.

## Invest in Short Term Governments

(CONTINUED FROM PAGE 1)

mments itself. A notable example is to be found in farm mortgages. Government credit agencies have been rapidly paying off farm mortgages; nearly 4 percent of the total investments of one of the Hartford life companies in this field has been paid off by the government in the past two months. Interest payments have so improved in recent months that farm mortgages are again considered a safe and fertile field for life companies, but there is little demand for new mortgages which the government's own credit agencies are not satisfying.

The dearth of good bond issues is also due to what one official referred to as the "unworkability, from a practical standpoint, of the severe provisions of the securities act." It is his belief that the penalties involved in cases where there is no intentional desire to deceive the investing public—clerical errors, for instance—are hindering or destroying a free and open market in the disposition of stocks and bonds. The act will have to be amended or rehabilitation will be impeded.

As far as government policies are

concerned, companies would like to know how far the administration is going in the direction of nationalization of public ownership or regulation of public utilities and railroads, two of the fields which have for years, of course, been strongly favored as outlets for their funds. They are confident, however, that the underlying bonds of the Class A railroad systems are secure. One investment official expressed the belief that with the economies recently effected plus the increase in freight traffic which industrial recovery will bring, such railroads are to be considered fundamentally sound. Even more general is the opinion that electricity is such a settled factor in our industrial picture that the first mortgages of operating companies with a satisfactory record of economical operation are good. This point of view in regard to the utilities is not to be interpreted as any narrowing of investment operations in this field. Having always disapproved of the pyramiding of the utility holding companies, Hartford officials have never bought their securities.

### Loomis Makes Comment

President James Lee Loomis of the Connecticut Mutual Life had this to say on the subject of life company investments: "My own personal preference is a mortgage on some property that has a definite and established earning power; that is, a mortgage on a public utility plant earning a wide margin over the costs of operation, a first mortgage on some very necessary railroad trackage with more than enough traffic to allow a good return, on a business property with an established earning power, or a farm property on which there is a good revenue to the operator."

Some Hartford companies are keeping their distance from municipal bonds. Based as they are on faith alone, some executives feel that at the present time those bearing a high yield represent too great a degree of risk since many cities are having a hard enough time to raise taxes for current operating expenses, and because of the trend toward political extravagance or repudiation in certain sections of the country.

### Study Municipals Carefully

As for the safer municipals and state bonds, these carry a return which cannot compete with United States securities, if one takes into consideration the tax-exempt features of the latter. Whatever investments are being made in municipals today, it is evident, follow only after careful and minute scrutiny of all factors involved.

From the united front as regards the purchase of government bonds by Hartford life companies, there is one company which has been standing apart. For nearly a year it has been concentrating upon utility and railroad securities and underlying mortgage bonds. "Because we had opportunities to buy at low prices during the past several months higher grade railroad and utility bonds than we had been able to afford previously, we felt it was the thing to do," said an investment official. "In the last several weeks, however, we had experienced increasing difficulty in finding this type of investment. We have more than we want of the old issues, or their prices may be too high. Add to that the dearth of new issues, and you will see our quandary. The investment picture has been changing every few months of late, and we may soon be concentrating in governments too."

With the new investments of the Hartford life companies being confined largely to short-term bonds, it will be seen that interest earnings are low today. This fact is being accepted philosophically here. Perhaps, as a British economist predicted not long ago, we are entering upon a period of lower interest earnings, one executive ventured. To maintain reserves in such a situation, another pointed out, there might eventually have to be a readjustment with the other two sources of surplus—mortality savings and savings from loading.

## FIGURES FROM DECEMBER 31, 1933 STATEMENTS

	Total Assets	Inc. in Assets	Surplus to Pol.	Sec. Fluc. Res.	New Bus. 1933	Ins. in Force Dec. 31, 1933	Change in Ins. in Force	Prem. Income 1933	Total Income 1933	Benefits Paid 1933	Total Disburse. 1933
Am. L. & Ac., Mo.	284,050	—36,083	7,861	.....	3,454,859	4,745,561	—521,363	147,443	165,637	40,572	*229,914
Durham Life	2,759,659	157,854	238,056	85,000	131,682,603	37,741,746	4,889,739	1,573,526	1,723,494	634,290	1,530,894
Eastern Life	1,064,961	97,355	263,328	.....	1,760,320	10,181,356	57,453	264,862	306,441	101,414	214,755
Federal Un. Life	4,329,480	161,432	115,250	35,372	10,739,409	34,845,282	—1,211,551	934,626	1,223,905	762,708	1,253,841
Life & Cas., Ill.	5,083,450	—7,457,580	1,002,756	20,000	8,997,381	19,674,012	—18,520,337	500,797	760,053	266,023	3,124,028
Mut. Life, N. Y.	1,119,855,725	—1,737,477	.....	.....	264,703,489	3,903,658,890	—322,951,284	153,655,233	218,053,957	186,312,553	217,152,732
Prudential	2,835,007,067	61,237,723	71,085,249	32,000,000	\$2,359,475,138	15,029,950,800	—275,102,190	539,166,391	685,739,550	454,025,118	611,077,442

\*Includes \$92,426.66 lapses of loans—loans and reserve court lien on business reinsured in 1932.

†Includes reversals—\$4,953,743.

‡Not including \$65,593,789 contingency reserve against possible excess mortality or loss in securities, and \$32,000,000 special contingency reserve for fluctuations in security values. Includes \$2,000,000 capital. \$1,970,762 par value of the capital stock is held by V. M. Lewis and James Kerney, trustees for the policyholders.

§Includes "net" increase in group life insurance.



## Production Increase This Year

The Continental Assurance of Chicago finds that its business in January and February exceeded that of the same months last year, with increase in insurance in force of \$1,759,000.

The Equitable Life of Iowa secured its fifth consecutive gain month in February, with \$3,964,738 of business paid for, a gain of \$620,223. Business from policyholders in February totaled \$1,563,477 or 39.4 percent of all paid business. This represents a gain in both volume and percent.

W. B. Strief, Des Moines agency, was the leading agent in February with \$72,000 cash business on nine policies. Mr. Strief has a record of 392 weeks of consecutive weekly production. E. S. Howland, Cameron Agency, Minnesota, was second among all agents in February with \$65,000 of paid business. The Rice Agency, Harrisburg, Pa., was the leading Equitable agency for the month with \$236,143 of paid business. The Chicago Crawford agency was second with \$212,250. The Equitable of Iowa is conducting its annual president's month campaign in March in honor of Henry S. Nollen.

The greatest number of applications written by the Wisconsin and upper Michigan agency of the Mutual Life of New York for any month since January, 1932, was produced in February, policyholders' month. The number written in February was 51 percent higher than in February, 1933, and 24 percent above January, 1934.

Paid business of the Detroit branch of the Bankers of Iowa in February was 12 percent ahead of last year and 8 percent better than for January reports Manager L. W. Spicard.

In a special campaign in honor of S. D. Krueger, agency manager, the Equitable Life of New York branch in St. Paul turned in \$2,500,000 in written business last month. This was one of the largest months the agency has had for some time and was well ahead of February, 1933. District managers of the agency met there to celebrate the results of the campaign.

The first two months this year the St. Paul agency of the Union Central Life more than doubled its first two months of 1933.

February sales in Detroit showed a gain in volume of 13 percent over the preceding month and an increase of 84 percent over February, 1933. Seventeen companies, writing approximately 40 percent of the business in the territory, report total business written and paid for during February, 1934, of \$6,431,706, as compared to \$5,674,085 for January, 1934, and \$3,435,310 for February, 1933. The figures are compiled by the Association of Life General Agents & Managers of Detroit.

The February paid production of the Guy Reem general agency of the State Mutual Life in Detroit was the largest in its history and placed it first among all State Mutual agencies in the country. January and February production increased 65 percent more than for the same period of 1933 and 63 percent more than the November and December total.

T. F. O'Keefe, Detroit general agent Connecticut General Life, reports paid production in February was more than 100 percent ahead of January and 30 percent over February, 1933. It was the best month in the history of the O'Keefe agency.

The Bankers Life of Nebraska increased its February business 22.5 per-

cent. For the first two months the increase is 21.4 percent. The figures are for issued business, exclusive of annuities.

A decided upturn in life business in March is reported in Philadelphia. An increasing number of lives are being insured. The average policy written is for a nominal sum but the number of policies now being sold is considerably larger.

The J. H. Russell home office agency of the Pacific Mutual Life at Los Angeles in a one day drive wrote 217 applications for \$28,031 in premiums, 88 producers participating. Manager J. H. Russell reports the volume of paid business up to March 1 increased 40 percent.

W. G. Laubender, Los Angeles agent of the State Mutual Life, during a two weeks period submitted completed applications for ordinary life and family income policies amounting to \$95,000. He has only been an agent since April, 1933, and was formerly a lumber salesman. All of his business is sold on the program plan, in the use of which he specializes.

The Jefferson Standard Life reports February production \$4,811,848, an increase of \$751,913 over the same month a year ago. Total production for the year is \$10,145,162 against \$7,922,876 for the same period last year. The minimum paid for objective of the company this year is \$40,000,000. In February, 22 offices showed an increase in production over the same month last year and 23 are ahead in production for the year to date.

The Edward A. Woods Company, Pittsburgh, general agent for the Equitable Life of New York, showed an increase in paid business for February of 16 percent, with a total of \$2,524,000.

The Midland Mutual Life showed an increase of 29 percent in new business written in January and February, as compared with the same months last year.

Eastern Michigan paid production for the Aetna Life in February increased 60 percent reports H. K. Schoch, general agent.

The O. D. Douglas Texas state agency of the Lincoln National Life produced \$929,620 new business in February, an increase of 48 percent. It is the agency's best February since 1930. Lapses decreased approximately 30 percent.

### Form New Production Clubs

Agents of the Gulf States Security Life of Dallas have organized a \$250,000 Club, with 21 charter members, and a \$100,000 Club with 24 charter members.

### May Deposit HOLC Bonds

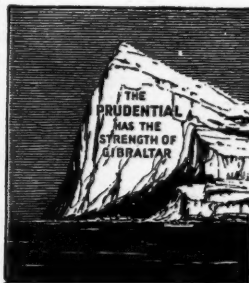
LANSING, MICH., March 15.—Substitution in required deposits of insurance companies of bonds of the Home Owners Loan Corporation or the Federal Home Loan Bank for other securities would be permitted under amendments to a bill now under consideration by the legislature. In its changed form the measure was approved by the lower house. The original bill, which applies not only to insurance companies but to other financial institutions and to the state and other governmental subdivisions, merely legalized investment in these bonds. The amendment added the provision that they could be used for deposits where indicated by insurance and trust companies.

## Choose the Corner Stone

The slogan adopted for Financial Independence Week—"Life Insurance Is the Corner Stone of Man's Financial Structure"—is cogent and timely.

But corner stones vary, according to the structure reared upon them, so that to be most effective such Life Insurance protection must be wisely selected to meet the requirements of the prospect.

That is the salesman's job and the more careful he is the greater his service not only to the insured but to the company he represents, as well.



**The Prudential**  
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

## SAINTLY EXAMPLE



This month we honor St. Patrick, eminent holy man, distinguished by legend as exterminator of the snakes that once infested Ireland.

It is fitting, indeed, that St. Patrick's Day—March 17—should so closely precede Financial Independence Week—March 18-24—when America's life underwriters, let us hope, will fervently intensify their century-old effort to rid the land of economic snakes—the social vermin which we call Dependence.

More power to our modern St. Patricks!



**The Life Insurance Company**  
of Virginia  
RICHMOND, VIRGINIA

Inc. 1871  
Bradford H.  
Walker  
President

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O. E. SCHWARTZ  
**CINCINNATI OFFICE**  
420 E. Fourth St., Tel. Parkway 2140  
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Telephone 7-1227

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204 Atlanta National Bank Building  
Tel. Walnut 2652

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### Financial Independence Week

NEXT week will be an important one in the life insurance field because it has been denominated "Financial Independence Week." It will take on this year a more important significance because of the harrowing experiences in the early part of last year caused by all the banks closing and the chaotic financial and economic situation. It will afford an opportunity to agents to stress the part that life insurance is playing in financial and economic regeneration.

The severe ordeal has put all institutions to the greatest test. Those that have maintained strong foundations and have bolstered their superstructures are emerging with some scars but they have not been jolted to such an extent that there is any danger in the underpinning of the insurance house itself. There have been some legal reserve failures but all of them were due to mismanagement or exploitation. In comparison with other business enterprises legal reserve life insurance stands out as a towering giant because there have been so few failures. Policyholders therefore can feel perfectly safe about their insurance in the remaining companies because those that were unable to withstand the strain have fallen.

Notwithstanding that it was necessary to establish a moratorium on policy loans and cash surrenders for a time, due to the banks all closing and the panicky feeling in all directions, the service rendered by life insurance during these troubled years is one to be highly commended. In spite of the moratorium, the companies paid out to living policyholders in 1933 more than they did in 1932. Last year there was \$13,000,000,000 of new insurance written. That shows that the people have implicit confidence in the life insurance business. Agents therefore in stressing the importance of life insurance next week will have an opportunity to do missionary work by telling the true life insurance story. The record of the last four years is monumental in its greatness. The following figures show what life insurance has accomplished during the years of depression:

Year	To Living Policyholders	To Beneficiaries
1930	\$1,363,000,000	\$ 884,000,000
1931	1,663,000,000	944,000,000
1932	2,156,000,000	931,000,000
1933	2,175,000,000	925,000,000

Total ..... \$7,357,000,000 \$3,684,000,000  
The total paid policyholders and beneficiaries during the last four years was \$11,041,000,000.

### Illinois Companies' Situation

It is the general impression that with the water pretty well wrung out of the Illinois life insurance situation by the Illinois insurance department, the companies remaining are deserving of full credit. Insurance Superintendent Palmer on taking office found himself confronted with an embarrassing situation as some of the companies were so frozen and their assets had been exploited to such an extent that for them to continue, in his opinion, would be detrimental to the best interests of policyholders. Hence last year saw the exodus of the weak

sisters, so to speak. The Illinois legislature passed an investment law which is thoroughly modern and is regarded as one of the best of the kind in the country. The department has kept close tab on companies and is satisfied that all the remainder can weather the storm. In fact, the Illinois department sets a standard and those that have met the test are counted now thoroughly reliable. Unfortunately Illinois received a lot of unfavorable publicity on account of those companies that were in bad shape and had to be put into receivership.

### Savings Banks and Life Insurance

A BILL has been introduced in New York to permit savings banks to write life insurance. Is there any more reason

why savings banks should write life insurance than why insurance companies should have savings bank departments?

## PERSONAL SIDE OF BUSINESS

More than 100 agents of the Sun Life of Canada branches in Detroit, Saginaw, Windsor, Ont., and Toledo, O., attended a farewell luncheon in Detroit for L. E. Malone, former agency assistant in Detroit, who was recently appointed Toledo manager. Ernest W. Owen, Detroit manager, presided as toastmaster.

The principal speaker was George H. Harris, director of field service. Mr. Owen paid tribute to Mr. Malone and presented him with a fine set of golf irons on behalf of the Detroit branch. Others who spoke included Gerald Loyne, Windsor manager; Fred Skinner, Saginaw manager, and Mr. Malone.

The United Mutual Life of Indianapolis, which succeeded to the insurance department Knights of Pythias, has the distinction of being a member of both the American Life Convention and the National Fraternal Congress. Harry V. Wade, assistant to the president, was present at the recent winter meeting of the National Fraternal Congress in Chicago when his organization was elected to membership. Mr. Wade took part in the discussions especially relating to the handling of defaulted obligations and the creation of a committee for investment service.

A. G. Janszen, oldest agent in point of service in the Jefferson Standard Life west of the Mississippi, who has been connected with the San Antonio agency 18 years, is a member of every club in the agency and has never missed qualifying for a company convention. He is a member of the two-app-a-week club, one-app-a-week club, 100 app club, all star club, ten-a-month-club and contract club.

John N. Russell, agency adviser of the Pacific Mutual Life, accompanied by Mrs. Russell, has left Los Angeles for a six weeks' trip to Cuba and Florida, via the Panama Canal.

George Hughes, a leading Iowa producer for the Aetna Life, has completed 25 years of service. He formerly was Des Moines general agent of the Aetna.

Miss Wave Addison of the J. M. Woodhouse agency in Boston of the Union Central Life, has received first prize in a contest for the best letters to prevent maximum loans and to influence policyholders to adopt a definite repayment plan program. Miss Addison joined the Boston agency three years ago as cashier without any previous experience in such work.

Joseph Nash, general agent of the State Mutual Life, Buffalo, N. Y., is recovering in a hospital there after having been stricken with acute appendicitis.

H. W. Hutton, general agent Bankers Life of Nebraska at Alliance, Neb., has been discharged from the veterans' hospital following a long siege of illness.

David Malmfeldt, Travelers agent in New Britain, Conn., is president of the Rotary Club. Joseph M. Ward, Phoenix Mutual agent there is president of the chamber of commerce and member of the school board. Mr. Ward has also served as president of Kiwanis. Leading civic organizations are now captained by life insurance men.

H. C. Cross, the new manager of the Prudential ordinary agency in Philadelphia, was tendered a farewell luncheon by his former associates in the Cincinnati office. About 33 attended, including members of the Columbus and Dayton branch offices. He was presented

a testimonial scroll on behalf of the special agents, employees, and brokers of the Cincinnati agency by Louis Jacobs bearing the signatures of everyone in the office. He was also given a traveling bag. Richard Dana of the Cincinnati office acted as toastmaster.

Mrs. A. E. Demilio, wife of the manager of the Pittsburgh agency of the Ohio State Life, is making an active campaign for the Democratic nomination for congress in the Pittsburgh district.

C. H. Royalty, manager of the Jacksonville, Fla. agency of the Union Central Life since 1918, died at his home after an extended illness. He had been with the Union Central since 1911, when he joined the company as Chattanooga representative. He formerly had served as general agent at Chattanooga for another company. He is survived by his widow and one daughter, Mrs. P. F. Bond, wife of the assistant manager of the Florida agency.

L. T. Kagawa, president of the Security Insurance Agency, general agents at Honolulu for the Occidental Life of Los Angeles, has been visiting the home office. Mr. Kagawa is a graduate of the University of Hawaii and president of the Life Underwriters Association of Honolulu. He has a record as a million dollar producer for two successive years.

Celebrating his 40th anniversary as a representative of Prudential, G. C. Stecker, superintendent of the Barlum Tower office in Detroit, was guest of honor at a dinner-dance given by his associates.

E. C. Taylor, district agent Massachusetts Mutual Life, Benton Harbor, Mich., has been selected as general chairman of the 1934 Blossom Festival there.

Alex M. Kirk has been made assistant secretary of the Montana Life. For four years he has been chief clerk in the actuarial department. He is a native of Kansas and after graduation from college he joined the auditing department of the International Harvester.

George W. Munsick, vice-president in charge of agencies of the Prudential, and Second Vice-President John P. Mackin have been in Chicago visiting the ordinary agency of Manager A. Van Goldman.

G. W. Hoffman, Pittsburgh, general agent of the National Life of Vermont, died at his home in Oakdale, a Pittsburgh suburb, after a lengthy illness. Mr. Hoffman had been prominent in insurance circles there for many years having previously been with the Mutual Benefit Life.

Following a protracted illness, John T. Taylor, for 40 years secretary-manager of the Richmond Beneficial, one of the leading Negro companies in Virginia, died last week.

Ralph R. Wolfe, for several years past field editor of the "Spectator" has associated with the Royal-Liverpool & London & Globe group, as assistant to Ralph W. Smiley, manager of its publicity department. Mr. Wolfe, who will have particular charge of the issuing of bulletins to the field men and agents of the fire branch of the associated companies, is a trained newspaper man and well equipped to prepare valuable and interesting publicity material. His personal column in the "Spectator" has been one of the features of that publication for a long time.



## NEWS OF THE COMPANIES

### Company in Splendid Shape

**California-Western States Life Stockholders Pleased With President J. Roy Kruse's Report**

Eight new names have been added to the board of the California-Western States Life. This represents the filling of three vacancies and the retirement of five former members. The new directors are W. S. Cowgill, W. R. Wallace, Jr., and Dean Witter of San Francisco; C. F. Metteer and M. W. Nathan of Sacramento; Peter Cook, Jr., of Rio Vista, who succeeds his late father; J. R. Mitchell of Woodland and Philip Ware of Chico. All officers were re-elected headed by President J. R. Kruse.

In his annual report President Kruse stated that the past five months had marked a substantial improvement in general business conditions, which was reflected in larger life insurance sales. Sales of the company for the last half of 1933 were 44.5 percent ahead of the volume sold for the first half of 1933. Premium income for 1933 amounted to \$6,901,237; income from investments \$2,188,072; income from other sources \$876,037.

Total sales of new life insurance, renewals and additions in 1933 were \$29,202,526. Volume of sales was 9 percent less than for 1932, but the total number of sales showed a 10 percent increase over the previous year.

Total insurance in force at the end of year was \$219,224,972, with total assets of approximately \$42,000,000 and total reserves for policy contract obligations of \$38,199,333. Payments to policyholders in 1933 exceeded \$8,240,000, of which \$1,967,000 was paid in death claims. The mortality rate was very favorable, being 53.5 percent of expected. An exceptionally strong cash position was reported, the cash balances being over \$1,440,000. The company owes no borrowed money.

### Bell Is Agency Supervisor of State Life of Indiana

Leo D. Bell, until last May Indianapolis general agent of the Connecticut General, has been appointed supervisor of agencies of the State Life of Indiana at the home office. His first insurance experience was with the Travelers in Chicago, first as special agent and 14 months later as assistant manager. Seven of the 14 men he selected and trained in this connection became assistant managers. In 1921 he resigned as assistant manager and took up personal production for the Travelers, averaging more than \$500,000 paid for business a year for three years. In 1924 he became general agent of the Connecticut at Indianapolis. Since his resignation from that connection last May he has done some special work for the Equitable Life of Iowa in Cleveland.

### Will Erect New Omaha Building

OMAHA, March 15.—The Ohio National Life will construct a nine-story building just west of the old Bankers Reserve building, which it took over on reinsuring that company. It will be a twin structure to the present building and will be connected with that building on each floor. Six floors of the present building are now occupied by activities of the federal government, which has leased an equal amount of space in the new building for ten years. Western Manager O. F. Neal of the Ohio National said the contract for the building will be let in a very short time as it must be finished by Sept. 1. It will cost \$500,000.

### Unusual Bonus Arrangement

**Pacific Mutual Agencies in Campaign March 12-April 21 Under "Stock" Distribution Plan**

The Pacific Mutual is conducting an unusual contest throughout the country, running from March 12 to April 21, based upon a substantial sum set aside for a bonus to agents. Under the plan each agency is offering a separate contest in which the full time agents are privileged to secure fully paid participating shares in "Agency Associates Unlimited," the name of the agency being used in each case. The contest is based upon written and examined business reported in cash to the home office by June 23.

An agent to be entitled to participate must secure not less than six shares. The unit is one share per \$25 of premium and the number of shares secured from a given amount of business is ascertained by multiplying the premium by .04.

When business is issued the certificate is given the agent. This is not endorsed, however, and does not become participating until he has paid for the business.

The shares are issued on new paid life business, including retirement annuities, noncancellable income policies and/or commercial accident, but not on any replacements. A share is given for each \$500 of single premium. The certificates are nontransferable and go only to the full-timers.

Incentive is given to the producers in any given agency to do their utmost by a sliding scale arrangement which calls for increase of the amount to be distributed in the agency, depending upon the amount of business reported paid to the home office by that agency. The maximum possible is approximately three times the minimum set aside for distribution.

### Company Files Its Statement

**Continental Life of St. Louis Gets Up Financial Exhibit for States Where Licensed**

The Continental Life of St. Louis is sending its annual statement as of Dec. 31 to the insurance departments. This is the statement figured by the company itself showing \$500,000 capital and surplus \$615,271. The surplus Dec. 31, 1927, when Ed. Mays took the presidency, was \$89,054. The increase in surplus, according to the Continental Life figures, has been \$526,218. From 1928 to the end of 1933 the company paid dividends to policyholders approximately \$1,225,000 and to stockholders \$150,000. Its assets Dec. 31 were \$17,711,740. It has taken an investment loss of \$375,000 and sets up a contingency reserve fund against possible depreciation in real estate amounting to \$178,665.

### EXPERT SUBMITS VALUATIONS

I. T. Cook, an authority in St. Louis on office building valuation, testified before Circuit Judge Ryan that the home office building of the Continental Life of St. Louis with its land is worth \$2,111,000. The book valuation used by the company is \$2,176,000 while \$1,500,000 was the figure submitted to the court by G. E. Scott, a real estate agent witness of Superintendent R. E. O'Malley in the suit to have the company declared insolvent.

Mr. Cook valued the home building structure at \$1,861,000 and the ground on which it is erected at \$250,000. He placed a total valuation of \$3,015,617

## Drifters

from first one organization and one job to another organization and another job may gain much experience, but they endanger the morale of their more reliable associates and leave behind only painful memories.

"Birds of passage" are a detriment to the institution of life insurance and a source of constant trouble, dissatisfaction, and expense. The poor workman quarrels with his tools and the inept salesman is quick to blame his lack of progress upon his company—blind to his personal failure as against the success of others connected with the company that he forsakes.

Stick to your company, as you expect it to stick to you, for "the place to make good is right where you are!"

**AMERICAN CENTRAL LIFE**  
**INSURANCE COMPANY**  
INDIANAPOLIS - - - - INDIANA

## ANNOUNCING 90TH ANNIVERSARY

On March 16, 1844 State Mutual was incorporated under the laws of Massachusetts....

This month marks our 90th birthday....

**STATE MUTUAL LIFE**  
**ASSURANCE COMPANY**

**WORCESTER - - - MASSACHUSETTS**

**Incorporated 1844**

## WANTED: Managerial Material



**BUFFALO MUTUAL  
LIFE INSURANCE COMPANY**

1872

for the  
States of  
New York  
and Ohio

There are many men who would make good local and district managers for this 62 year old Company. We are trying to find them. And when we do they will be glad to hear our story. But, frankly, the best managers we have found were men who started with us as agents. Our problem is to fit good men to available territory in the states of Ohio and New York.

Buffalo Mutual Life is a progressive Company, growing fast, but not so large as to make individual attention and instruction difficult. If you feel you are managerial material and are willing to prove it by starting as an agent, write in confidence and detail to E. Parker Waggoner, Supt. of Agents, Buffalo, N.Y.

### 18 POLICIES...Birth to Age 60...DEPENDABLE PROTECTION

Whole Life Special • 20 Payment Life Special • Multiple Option Life and Annuity • 10 and 20 Year Modified Ordinary Life • 10 and 20 Year Family Income • Endowment at Age 65 • Ordinary Life, Endowment at 85 • 20 Payment Life, Endowment at 85 • 10, 15 and 20 Year Endowment • Special Convertible Term • 10 Year Term • Children's Policies (Three Forms) Birth to Age 10

**L**IFE INSURANCE companies are judged on their record of prompt payment of claims; their management and personnel; their financial stability and integrity; and their effectiveness in providing adequate remuneration for their field representatives. Through the years our objective will be to demonstrate our ability to meet each of these tests.

**GENERAL AMERICAN LIFE INSURANCE COMPANY**

Saint Louis, Missouri  
WALTER W. HEAD, President

on all of the real estate held by the company that is in dispute in the proceedings. Mr. Scott slashed these holdings to only \$2,141,000. The company's book values totaled \$3,099,360 or only about \$85,000 above the figure placed by Mr. Cook.

W. L. Pope, Little Rock, Ark., a former circuit judge who assisted in the preparation of the new law refunding Arkansas road and bridge bonds, expressed the belief that eventually all of the outstanding road and bridge bonds in that state will be paid off at par under the provisions of the new statute. The Continental Life owns \$525,000 of Arkansas road and bridge bonds affected by the refunding law and of this amount only \$28,000 are in default as to both interest and principal. Under the Missouri insurance statutes the company contends that it is entitled to carry bonds not in default as to both interest and principal at their amortized value, but the insurance department is endeavoring to write all of the bonds down to their market value as of Jan. 3.

There is an outside chance that the case may be concluded by March 24.

### General American Reduces Indebtedness Over \$5,000,000

The General American Life of St. Louis, in the six months it has been operating, has reduced the Reconstruction Finance Corporation debt and debts due to banks by the Missouri State Life, its predecessor, from \$7,163,958 as of Sept. 7, 1933 to \$1,968,922.

Before the end of 1933 all loans secured from banks by the Missouri State had been entirely paid off, while the RFC indebtedness had been cut to \$5,445,841. Since the first of the year several large payments have been made to the RFC, the last one of \$500,000 having been made March 7.

E. C. Hart, manager of the conservation department of the General American, reports that in February 336.8 percent as many applications for reinstatement were received as in October, 1933, the month after the company took over the business of the Missouri State Life. This percentage is also being maintained in March. Between Sept. 8 and Dec. 31, 1933, the General American Life paid out \$3,509,734 on 4,181 claims under Missouri State Life policies.

On March 1 the company launched its first drive for new business in large volume under the direction of John J. Moriarty, agency vice-president, which has brought a splendid response.

### New Home Office Building

ST. PAUL, March 15.—Within a year the Minnesota Mutual Life will occupy its new home office building at Sixth and Jackson streets. The building, formerly known as the Builders Exchange, is one of the newer downtown structures. It is 13 stories, 50 by 100 feet, of modern construction. The company will occupy six floors at the outset and take on more space as conditions make necessary. The balance of the building will be rented. When the company moves in the entire building will be occupied and will prove a good investment, company executives said.

### Home Life of America Figures

The Home Life of America with executive offices in Philadelphia in its new annual statement shows assets \$13,151,611, an increase of \$2,046,215 during the last four years. The combined capital, surplus and contingency fund amounts to \$848,647, an increase of \$37,786 during the last four years. The company has steadily increased its liquid position throughout the depression. In 1933, 25.6 percent of its assets were in cash, federal, county and other bonds. It paid policyholders last year \$2,027,598. Its cash income was \$3,801,738. Its new

business was \$26,252,367, an amount greater than any other previous year in its history. Its insurance in force is \$99,033,004, a decrease of 1.02 percent. During the last ten years it has increased its insurance in force 78.8 percent. The total paid policyholders since organization is \$16,598,253. It has been in business 35 years and is one of the leading companies in the industrial-ordinary field. It is licensed in Pennsylvania and Delaware. Its officers are all experienced insurance men. Its capital is \$250,000, net surplus \$463,647 and contingency reserve \$135,000.

### Vote on Mutualization Plan

Stockholders of the Shenandoah Life of Roanoke, Va., will meet March 26 to approve a plan adopted by the board of directors for mutualization of the company. The plan has been approved by the Virginia department and according to President E. L. Trinkle contains every safeguard for the protection of policyholders.

The procedure to be followed by the company is authorized by a recently enacted Virginia statute modeled after the New York statute permitting mutualization of stock life companies. Gradual retirement of the company's stock is proposed in the new plan. The company closed the past year with more than \$134,000,000 insurance in force while assets exceeded \$7,000,000.

### Great Republic Enjoined

OKLAHOMA CITY, March 15.—A temporary restraining order granted by the district court here against the Great Republic Life of Los Angeles prevents removal of its assets from the state, including deposits in all banks in Oklahoma City. The suit was filed by Greene H. Dale, stockholder and agency manager, who also asked that an ancillary receiver be appointed. He also asks judgment for \$68,638 alleged to be due him on agency contracts.

The Great Republic reinsured the business of the Oklahoma Southern and Sun Life of Oklahoma in 1932, after control of the Los Angeles company was secured by T. J. McComb of this city and his associates, who also controlled the local companies.

### New Beacon Life President

Dr. John D. Finlayson has been elected president of the Beacon Life of Tulsa, conditioned upon acceptance of his resignation as chancellor of the University of Tulsa. S. Dezell Hawley, who has been president, is made chairman of the board. Dr. Finlayson formerly was president of Fairmount College of Wichita.

### Benefit Associations Examined

The New Home Benefit of Sullivan, Ill., recently examined by the Illinois department, is now being subject to the provisions of the liquidation act. It is a small mutual benefit outfit.

As a result of the examination of the Consolidated Benevolent of Robinson, Ill., an assessment concern, the Illinois insurance department finds that it is deemed subject to the liquidation act. It was organized in 1927.

### N. Y. Life Canada Investments

Investments of the New York Life in Canada, as carried in the assets on Dec. 31, totalled \$61,515,220. These include bonds of the Dominion totalling \$21,850,528, provincial bonds valued at \$6,744,706, county and municipal bonds \$6,846,405, and public utility bonds \$4,515,548. Mortgage loans were listed at \$9,759,224 and real estate owned at \$763,101. Policy loans and premium notes accounted for \$10,527,018. Cash in Canadian banks aggregated \$508,687. Payments to policyholders in Canada totalled \$7,293,652 in 1933.

The Veterans Mutual Life of Oklahoma City has changed its name to the Continental Travelers Life of Altus, Okla.



## LIFE AGENCY CHANGES

### Two Agencies Are Combined

**Penn Mutual Life Announces Merger of the Huntington and Charleston Offices**

The Huntington and Charleston, W. Va., general agencies of the Penn Mutual Life are being merged, and S. C. Lawrence, as general agent, has been placed in charge, with headquarters at Huntington.

Mr. Lawrence is a graduate of Harvard School of Business Administration. From 1913 until 1931 he occupied responsible positions, as chemist, technical engineer and executive, of various pulp corporations in the south. In January, 1931, he joined the L. M. Barger general agency of the Penn Mutual at Savannah. In the fall of 1932 he was appointed the agency's supervisor and in January, 1933, was made district manager in the Augusta office.

Dan H. Holton, for many years general agent at Huntington, and Capt. John Patrick, for many years general agent at Charleston, will give their entire time to personal production.

#### John Granberry

John Granberry has been appointed manager of the United Benefit Life and Mutual Benefit Health & Accident at Houston, Tex. The Houston office is under the Dallas branch.

#### H. H. Kidd

H. H. Kidd of Charleston, W. Va., president Charleston Life Underwriters Association, who has been an agent of the Lincoln National Life, has now joined the New England Mutual Life there.

#### H. L. Patterson

H. L. Patterson of Fresno, Cal., has been appointed general agent for the Equitable Life of Iowa for the San Joaquin valley, the appointment being made during the recent visit to the coast of S. A. Swisher, assistant superintendent of agents.

#### T. M. Sizemore

T. M. Sizemore has been appointed manager of the Acacia Mutual Life in Louisville. He was formerly with the Louisville agency of the Union Central Life. The offices are being moved to larger quarters in the Martin Brown building.

#### H. K. and J. B. Hill

H. K. and J. B. Hill have been appointed general agents of the Massachusetts Mutual Life in Louisville, succeeding their father who died recently. They have been associated with their father for a number of years and are well acquainted with the work of the agency.

#### W. A. Foote

W. A. Foote has been appointed manager of the Equitable Life of Iowa in Buffalo, N. Y. D. P. Sullivan was the former manager.

#### A. J. Gillette

The Lincoln Liberty Life has organized a home office agency to cover Lincoln, Neb., with A. J. Gillette as manager.

#### W. Scott Heim

W. Scott Heim, who has been manager of the Upper Peninsula branch of the Sun Life of Canada at Marquette, Mich., for the past six years, has been named agency assistant at the Detroit branch to succeed L. E. Malone, re-

### Name Big Producer



JOHN J. ZILIS

John J. Zilis, who has been in business for 15 years in the Roseland section of Chicago, has joined the staff of the Northwestern National Life as district manager for the Roseland territory, W. N. Stafford, home office representative in Chicago, announces.

Mr. Zilis is an outstanding life agent, with an excellent record. For eight years he has been a leader in the Roseland territory, for two years with annual production of \$750,000.

For eight years he has been manager of the life insurance department of Charles Brandt & Co., representing the Mutual Trust Life. Mr. Zilis is a member of the Lions club and American Legion.

He has established offices at 11257 South Michigan avenue, Chicago, and has made arrangements with the company to establish a school for new agents and develop a substantial agency organization.

cently appointed manager at Toledo, O. He was agency assistant in Detroit for four years before going to Marquette. The Upper Peninsula branch has been discontinued.

#### Walter Dean

Walter Dean, for three years with the Detroit agency of the Federal Life, has been appointed agency manager to succeed J. E. Ferrari, who resigned several weeks ago. George Barmore, vice-president and superintendent of agencies, conducted a two-day sales school for the agency.

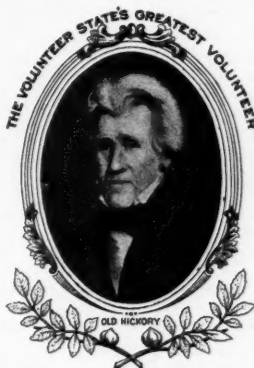
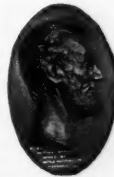
#### Policyholders National Life

Eleven district offices will be opened in Arkansas by the Policyholders National Life, Sioux Falls, S. D., and a state office will be opened July 1 at Little Rock. The district offices will be at Jonesboro, Blytheville, Fort Smith, Hot Springs, Camden, El Dorado, Monticello, Fordyce, Warren, Prescott and Pine Bluff. Arkansas representatives met at Little Rock with W. H. Witmer, president; H. O. Chapman, secretary, and A. F. Rudesheim, state manager.

#### E. L. Wightman

The Chicago branch office of the Connecticut General Life, under Manager F. H. Haviland, has opened a district office at Waukegan, Ill. E. L. Wightman has been appointed district manager. Mr. Wightman was formerly as-

**The Lincoln National Life Insurance Company of Fort Wayne, Indiana, announces an enlargement for 1934 of its successful program of OUTDOOR ADVERTISING. This year's program reaches millions of Americans in the major cities of the country.**



**Sound and Progressive**

**FOR** more than thirty-one years The Volunteer State Life Insurance Company has provided safe and sound life insurance protection.

Its management is progressive and alert to changing conditions. Its complete list of low, net-cost policy contracts was designed to fulfill the wide range of policyholders' needs.

A liberal first year and renewal commission contract is offered.

RICHARD H. KIMBALL, President

**THE VOLUNTEER STATE LIFE INSURANCE COMPANY**

Chattanooga, Tennessee



*"You know, this is a day of specialization."*

*"It sure is, and specialization is one of the main reasons for the remarkable record of the Continental American."*

This Company specializes almost exclusively in policies of \$5,000 and more. In 1933 over 75% of our new business was in this class, averaging \$8,900. Specialization affords economies which enable the Continental American to offer more for the life insurance dollar.

**CONTINENTAL  
AMERICAN**  
Life Insurance Co.

Wilmington—Delaware

For Agency Matters Address  
GEORGE A. MARTIN, Vice-President

sociated in the life insurance business in Waukegan with his father who was general agent for the Connecticut General for many years.

#### O. M. Spratt Corporation

The Atlantic Life has appointed the O. M. Spratt Corporation, Minneapolis, general agent for Minnesota. S. A. Carlstedt, life manager of the office, will be in charge of field work.

#### Glenn Scott

Glenn Scott, formerly field assistant for the Equitable Life of New York, at Valley City, N. D., has been named district manager and field supervisor of the Guardian Life by R. A. Trubey, state manager. His headquarters will continue to be at Valley City.

#### W. M. Horner

W. M. Horner has been appointed manager of the recently created life and accident department of the Frank Meline Company Agency at Los Angeles, according to announcement by H. M. Knight, insurance manager. Several years ago Mr. Horner was general agent at Minneapolis for the Provident Mutual Life, building one of the company's leading agencies. He went to Cali-

fornia about four years ago and was with the Massachusetts Mutual for some time, later going with the Hayes, Hudson & Bradstreet agency of the New England Mutual Life.

#### George W. Wells, Jr.

George W. Wells, Jr., has been appointed general agent for the Monarch Life in Baltimore. Mr. Wells has been active in accident and health insurance in Maryland and Delaware for many years.

#### F. H. Behan

F. H. Behan, formerly in the agency department of the Continental Assurance, has resigned to become manager of the life department of the Miller-West agency, Denver, which is general agent for the Continental Assurance and Continental Casualty there.

#### Liberty National Changes

Lewis J. Myatt, manager at Selma, Ala., for the Liberty National, has been transferred to Meridian, Miss., as manager. Ernest Redd, Jr., supervisor in the Opelika, Ala., district, has been promoted to manager at Huntsville, Ala. G. E. Anderson, agent at Birmingham, has been promoted to manager at Selma.

## LIFE COMPANY CONVENTIONS

### To Have Regional Meetings

**Northwestern National Life Announces Number of Conferences of Agents in Different Cities**

The Northwestern National Life instead of having a large national convention this year will have a series of regional meetings. There will probably be eight or ten during the season. The first was held Monday and Tuesday at Topeka, the second on Thursday and Friday at St. Louis. Next Monday and Tuesday there will be a regional meeting at Chicago and on March 21-22 at Cincinnati. Some of the others will likely be held in the fall. Agents from eastern Iowa, northern Illinois, northern Indiana and western Michigan will be at the Chicago meeting. At Cincinnati there will be the Ohio agents and those from adjoining states. At St. Louis agents were present from southern Illinois, southern Indiana, eastern Missouri and western Tennessee. Officials from the head office will attend these meetings. Those assigned to the work are President O. J. Arnold, Agency Director W. F. Grantges, Supervisor of Agencies C. A. Peterson, Agency Instructor E. P. Balkema and Vice-president and Medical Director H. W. Cook.

#### Conference in Omaha

The Ohio National conducted a conference for its Iowa, Nebraska, and South Dakota agencies in Omaha.

The program was opened with an address by President T. W. Appleby on "Depression and Recovery." John H. Evans, vice-president, discussed "The Inherent Stability of Life Insurance" and "Annuities." Grant Westgate, assistant superintendent of agencies, explained "The Ohio National Three Way Plan Time Control," and R. E. Morgan, agency supervisor, talked on "Prospecting and Sales Presentation." The conference closed with a dinner and a talk by Mr. Appleby on "The New Deal."

#### Occidental Life Convention

Following a meeting of agents and general agents of the Occidental Life at the home office in Los Angeles March 19-20, the regular convention will be held at Del Monte March 21-23.

### Pacific Mutual Conventions

**Series of Ten Meetings With Agents Being Attended by Four Home Office Officials**

Four officials of the Pacific Mutual started March 12 a series of regional meetings which will be concluded April 3 in Chicago. The executives making the circuit are: H. S. Dudley, vice-president and treasurer; Junior Vice-presidents F. R. Woodbury and L. W. Morgan, and Agency Supervisor R. M. Rafferty.

The first meeting was in New Orleans March 12-13. Another meeting was held in Birmingham, March 14-15. The officials are meeting in Atlanta March 16-17. The remainder of the itinerary is: Tampa, Fla., March 19-20; Richmond, Va., March 21-22; Philadelphia, March 23-24; Cleveland, March 26-27; Detroit, March 28-29; Indianapolis, March 30-31; Chicago, April 2-3.

These conferences are not so much on sales subjects as on such topics as general business conditions, the company's financial condition, underwriting, etc. The purpose is largely to make contacts with the field.

#### National Life Convention

MONTPELIER, March 15.—Announcement was made by the National Life that the next convention of its agents will be held in Montpelier, Aug. 28-30. The last time that Vermont was favored with this gathering was in 1925, when the company celebrated its 75th anniversary.

The convention will bring to the city about 200 of the best salesmen, among the 1,200 in the National Life organization. The privilege of attendance is based upon the agents' sales records, only the leaders enjoying the honor.

#### Pan-American Sales Meet

SAN ANTONIO, TEX., March 15.—A sales meeting was held by agents of the Pan-American Life from southwest Texas and the Rio Grande valley here with Manager E. W. Wade in charge. Matthew Brown, San Antonio manager General American Life, told of the necessity and value of planned work. W. H. Childers, San Antonio manager Great Southern Life, spoke on the "Program for Life Insurance Week." Selling life insurance is not

easy, he said, and it requires consistent intelligent work.

A number of the field men made brief talks, and the meeting was closed with an address by Dr. E. G. Simmons, vice-president. He reviewed the financial condition of the company and the improved business trends shown during the first two months of 1934. He stated that the business written and paid for by the agents of the Pan-American in the United States is 50 percent ahead of the first two months of 1933. The San Antonio agency has written as much business the first two and one-third months of 1934 as it wrote in the first six months of 1933. He said that lapses have practically ceased and that reinstatements are extremely gratifying in all of the territory in which his company operates.

#### Ohio National Meetings

Superintendent of Agents E. E. Kirkpatrick of the Ohio National Life and Assistant Superintendent Grant Westgate are holding agency meetings. Mr. Kirkpatrick held a meeting at Dayton, O., with the Plecker & Mouse agency, being accompanied there by R. E. Morgan, home office supervisor. Mr. Westgate held a meeting with the George Severance agency of Chicago, stressing the new tendencies in life insurance selling.

## CHICAGO NEWS

### FEDERAL QUIZ TO START SOON

Members of the house judiciary committee are expected to move into Chicago March 19 to start investigation of federal receivership cases. Among the cases to be scrutinized are those of the Illinois Life, Security Life and Victory Life. Investigators for the committee have been in Chicago, making inquiries.

### BRUCHHOLZ LEADS CHICAGO

The New York Life's Chicago branches staged a week's campaign in honor of President Thomas A. Bruchner's third anniversary as head of the company. The Chicago Clearing House branch, Frederick Bruchholz, director, had the largest volume among the agencies filling their allotments with a total of \$270,000 in business.

### CAPERTON BELIEVES IN SENTIMENT

Joe C. Caperton, general agent of the State Mutual Life in Chicago, is a fond believer in injecting sufficient sentiment and fire into the interview to have a warming effect on the prospect. Mr. Caperton declares that it is impossible to keep sentiment out of life insurance. In the solicitation he holds that it is a very material factor. In all canvassing material he introduces a good percentage of sentiment and impresses on his agents the necessity of injecting real spirit into the canvass. He finds out by experiment that agents that are largely actuaries or statisticians while presenting the subject of life insurance in a correct mathematical way eliminate to a large extent the glow of enthusiasm and the tenderness of the affections. One of his men who wrote \$150,000 last year he found was a typical "figurer." Mr. Caperton took hold of him, changed his tactics so that he injected real sentiment into his canvass and has written as much so far this year as he did all last year.

### Kentucky Investment Bill Is Law

LOUISVILLE, March 15.—The bill regulating investments of Kentucky insurance companies became law without the signature of the governor, having lain on his desk ten days after passage. Under this act investments are clearly laid out, and a life company may not hold stock of another life company. This would prevent such situations as have come up in the past due to interlocking ownership.



## NEWS OF LIFE ASSOCIATIONS

### Plan St. Louis Sales Congress

**John Morrell and Frank H. Davis to Talk at Gathering on March 22**

ST. LOUIS, March 15.—Nationally prominent life insurance men will speak at the sales congress of the Life Underwriters Association of St. Louis March 22.

John Morrell, Chicago, associate manager of the Equitable Life of New York, a leading producer, will speak on "An Up-to-date Hedging Process—Annuities." Paul Speicher, "Insurance Research & Review Service," will discuss "The Economics of Today and Life Insurance." Frank H. Davis, vice-president of the Penn Mutual Life, will talk on "Rational Optimism."

The sales congress will be the big feature of the celebration of Financial Independence Week in St. Louis, commencing on March 19, with a breakfast mass meeting. Talks by C. M. Hay, St. Louis, city counsel and Rev. C. O. Johnson will be broadcast.

**Wichita, Kan.**—New officers selected by the directors are Leo Porter, Lincoln National, president; Riley Cunningham, Metropolitan, vice-president; Ralph P. Remmer, Aetna Life, secretary-treasurer.

**Omaha**—C. V. Anderson, president of the National association, will be guest of honor at the meeting March 29. Addison Wilson, vice-president in charge of membership, has planned a membership drive in collaboration with F. B. Summers, territorial membership chairman.

**Lincoln, Neb.**—K. M. Arndt, associate professor of economics at the University of Nebraska, said devaluation of the dollar, addition of silver to the currency and payment of the veterans' bonus in new money would have little effect on owners of rights to money in the form of life insurance policies, securities, bonds and mortgages.

President Anderson of the National association will meet with the association March 29, stopping off on his way to Denver from Omaha.

**New Orleans**—Life insurance produces more income than any other kind of property when one is overcome by sickness, age, unemployment or death, said A. R. Jaqua, associate editor of the Diamond Life Bulletins. "Life insurance agents," he declared, "perform a high type of service for society." Fifteen percent of the insurance sold in 1933, he said, was on juveniles and 16 percent on women.

**Cedar Rapids, Ia.**—At a special session devoted to annuities B. A. Barlow, Equitable of Iowa, and C. W. Cottingham, Equitable of New York, spoke on that subject. C. V. Shepherd, National Life of Vermont, reported on the meeting of the state association in Des Moines.

**Scottsbluff, Neb.**—The Scottsbluff Life Underwriters Association has been organized with W. S. Hofgard, Mutual Life,

as president; Harley Shaver, Northwestern Mutual, vice-president; L. W. Burns, Penn Mutual, secretary, and J. G. Elliott, Equitable of New York, treasurer.

**Des Moines.**—Earl E. Smith, educational director Equitable Life of Iowa, was named chairman of a committee in charge of the annual sales congress March 23. President A. H. Pickford named Ben Williams, educational director Bankers Life of Des Moines, and G. T. Garlin, educational director Central Life of Des Moines, as additional members of the committee. The sales congress will furnish the climax to Financial Independence Week.

**Buffalo, N. Y.**—C. Vivian Anderson, president National association, addressed more than 200 members at a luncheon meeting. Mr. Anderson gave an illustrated talk on the method of using estate creation as a stepping stone to larger insurance sales.

**Indianapolis.**—Speakers selected for Financial Independence Week in Indianapolis include Commissioner H. E. McClain, John C. Kidd, former commissioner; J. L. Rainey, Guardian Life; P. H. Young, Union Central; M. B. Oakes, Insurance Research & Review; A. J. Wohlgemuth and C. C. Robinson, Rough Notes Company.

**East Bay (Cal.)**—A five-session training course, "How to Get More and Better Interviews," is being offered.

**Tulsa, Okla.**—The value of using settlement plans offered by the companies was urged by R. D. Morehead, Phoenix Mutual, and Ed Allison, Equitable Life of Iowa.

**Ottawa, Can.**—There has been no depression for the life underwriter except for those who prefer to accept it, said William Boulton, superintendent of agencies Confederation Life, in addressing the annual educational congress.

G. F. Davies, assistant general manager Northern Life of London, Ont., gave two addresses on "Turning Interviews Into Sales" and "Little Things Which Make Great Salesmen."

W. Howard, personal producer of the Canada Life, Toronto, emphasized that the salesman must have faith in the life insurance business to succeed.

**Elmira, N. Y.**—New officers elected are: E. J. Bremer, president; L. M. Rockwell, vice-president; Kenneth B. Levegood, secretary-treasurer.

**San Francisco.**—S. T. Whatley, vice-president Aetna Life, spoke on "Present Day Trends in Life Insurance" and R. B. Coolidge, agency assistant of that company, talked on "Selling Methods."

C. Vivian Anderson, president National association, will speak April 2.

**Galveston, Tex.**—"Life insurance is the soundest of all forms of investment," H. K. Cassidy, Houston, declared at the last meeting. "The best way to assure financial independence is to invest in legal reserve life insurance," he said, after analyzing 12 other forms of investment. He pointed out the extreme hazard for the average individual in other investments because of a lack of knowledge and lack of spread of funds in suitable investments.

**Memphis, Tenn.**—"Probate Court Procedure" was discussed by Troy Beatty, trust officer First National Bank.

**Colorado.**—A sales congress will be held in Denver March 30, with the following speakers: C. Vivian Anderson, president National association; Alexander Patterson, Chicago general agent Penn Mutual Life; O. S. Cummings, Dallas, general agent Kansas City Life, and H. J. Cummings, vice president Minnesota Mutual.

**Toledo.**—At the annual sales congress, March 17, the following will speak: George E. Lackey, Detroit general agent Massachusetts Mutual Life, on "The Present Market;" E. E. Smith, agency secretary Equitable Life of Iowa, on "Time and Tide;" F. M. See, St. Louis general agent New England Mutual Life, on "Ten Commandments for Closing a Sale;" C. L.

**Men of Action**

21% more business written by Central Life men during the last six months of 1933 than during the first six months.

Truly a sign of ACTION.

**CENTRAL LIFE**  
Assurance Society  
(MUTUAL)  
DES MOINES

## GLOBE LIFE INSURANCE CO. OF ILLINOIS

Pose Barry Diets  
President

Wm. J. Alexander  
Secretary

HOME OFFICE ADDRESS SINCE 1895  
431 South Dearborn St.  
CHICAGO

• Brokerage Business Solicited in Illinois

A  
LEGAL  
RESERVE  
COMPANY

### Financial Independence Observance Is General

The majority of the local life underwriters' associations are planning special programs and meetings for Financial Independence Week, starting March 19. Special production drives, advertising campaigns and radio talks are being employed by the local organizations. Much enthusiasm has been worked up and association leaders are confident that their efforts will create widespread interest. Because of the multitude of local Financial Independence Week programs, THE NATIONAL UNDERWRITER will not publish the details regarding them but is covering the commemoration from the national angle.

## AID ASSOCIATION FOR LUTHERANS

Legal Reserve Fraternal Insurance  
APPLETON, WIS.

### THIRTY YEARS' RECORD

	No. of Branches	Insurance in Force
1903	33	\$ 638,000.00
1912	234	7,395,750.00
1922	942	27,382,518.00
1932	2148	125,863,133.59
1933	2187	131,359,169.00

January 1, 1934

Admitted Assets	\$15,493,281.21
Certificate Reserves, Surplus and other Liabilities	15,183,424.80
Emergency Reserve Funds	309,856.41

### Payments Since Organization

To Living Certificateholders	\$5,449,382.72
To Beneficiaries	3,609,167.60
Total Payments	9,058,550.32

FRATERNAL LIFE INSURANCE STANDS THE TEST

## WOODMEN of the WORLD LIFE INSURANCE ASSOCIATION

OMAHA, NEBRASKA Statement—July 1, 1933 DE E. BRADSHAW, Pres.

### ASSETS

Government, County and Municipal Bonds (Book Value)	\$103,205,035.33
Loans on Certificates	3,355,877.48
Loans on Real Estate (1st Liens)	633,009.02
Real Estate	1,134,273.97
Cash in Depositories and Office	2,023,259.66
Assessments and Installments in Hands of Financial Secre-	
taries	611,225.40
Interest Due and Accrued (Estimated)	2,218,832.90
Other Assets	506,098.47
Total Assets	\$113,887,612.23

### LIABILITIES

Mortuary Claims in Process of Adjustment	\$ 903,965.11
Mortgage Payable	250,000.00
Miscellaneous	112,319.42
Total Liabilities	\$ 1,266,284.53
Certificate, Contingent and Other Reserves	112,621,327.70
Total	\$113,887,612.23

## STABILITY IN LIFE INSURANCE is found in the Legal Reserve Fraternal Life Insurance Policies

### Total Benefits Paid to Policyholders:

Since 1897	\$12,600,000.00
In 1933	540,000.00
Assets	8,275,000.00

Legal Reserve Life Insurance  
for Men, Women and Children

Favorable Territories in Wisconsin,  
Illinois, Minnesota and Michigan.

## EQUITABLE RESERVE ASSOCIATION

NEENAH, WISCONSIN

NEW JERSEY

NEW YORK

### INDUSTRIAL—INTERMEDIATE

## The Colonial Life Insurance Company OF AMERICA

HOME OFFICE—JERSEY CITY, NEW JERSEY

### Ordinary — Group

"A Good Company To Represent  
—Represent a Good Company"

PENNSYLVANIA

CONNECTICUT

Egbert, Northwestern Mutual Life agent at Kewanee, Ill., on "Prospecting and Selling," and W. B. Buruss, lecturer, on "Shakespeare the Salesman."

**Dallas, Tex.**—A code of ethics in conformity with the national recovery program has been adopted and identification emblems will be provided for members. The Dallas association is planning to conduct educational and advertising campaigns following the financial independence week drive. Col. W. E. Talbot, membership drive chairman, spoke at the last meeting.

**New Orleans.**—A Louisiana sales congress will be held March 23 in New Orleans. Speakers will be Ted M. Simmons, director of agencies Pan-America Life; Ernest W. Owen, Detroit manager Sun Life of Canada; A. C. (Tex.) Bayless, Houston general agent Southland Life; J. S. Maryman, Aetna Life, Little Rock; C. C. Day, general agent Pacific Mutual Life, Oklahoma City, and Rabbi Louis Binstock, New Orleans.

**Atlanta.**—C. Vivian Anderson, president National association, speaking at a luncheon in his honor, stressed the value of life insurance in the creation of an estate, illustrating his point by figures

showing returns of such investments in the listing of values of estates.

**Cincinnati.**—Preparations are made to observe financial independence week March 19-24. March 22 the annual tri-state sales congress will be held for southern Ohio, southeastern Indiana and northern Kentucky in the Netherlands Plaza hotel. Jack Lauer, president of the association, will preside at the morning program. Speakers will be Leon Gilbert Simon of New York City, on "Business Insurance;" Vincent B. Coffin, superintendent of agencies Connecticut Mutual, on "Motivation in the Sale;" and E. B. Thurman, general agent New England Mutual, Chicago, on "Harnessing Power." Seth C. H. Taylor, vice-president, will preside at the afternoon session. C. Vivian Anderson, president, and Roger B. Hull, managing director of the National association, will speak.

**Detroit.**—Vice-president F. H. Davis of the Penn Mutual will give an address "Today's Opportunity" at a breakfast meeting Monday to inspire the agents during Financial Independence Week. Joseph Macken of Macken & Ballou, Mutual Life of New York managers, is chairman of the special committee in charge of the week.

## NEWS OF THE FRATERNALS

### Oklahoma Judgment Entered

Court Assesses \$31,340 Against American Insurance Union, Columbus Fraternal, for Back Taxes

OKLAHOMA CITY, March 15.—The state move to collect back taxes and penalties from 35 fraternal organizations in Oklahoma brought results Monday when Judge Henshaw of the district court of Oklahoma county awarded a \$31,340 judgment against the American Insurance Union of Columbus, O., a fraternal. No defense was offered by the A. I. U.

In the petition filed at the instigation of Governor Murray it was alleged that the A. I. U. had failed to pay a 2 percent tax on premiums collected since entering Oklahoma in 1920 and a yearly fee of \$200 on which an annual penalty of \$500 is imposed if not paid. The state's claim is based on the contention that the institutions against which suits have been filed operate under the guise of fraternal organizations while issuing regular old line policies. Approximately \$2,000,000 is involved in the suits filed.

### File Additional Suits

The state filed additional suits in Oklahoma county district court asking a total of \$112,398 from the Yeomen Mutual Life of Des Moines and Abraham Lincoln Life of Springfield, Ill. The state asks \$90,948 from the Yeomen and \$21,449 from the Illinois company.

The Yeomen Mutual, formerly the Brotherhood of American Yeomen, changed over to old line basis in 1932. The Abraham Lincoln had some fraternal business on the books.

Judgment of \$80,234 was recently asked from the Supreme Forest of Woodmen council and \$193,331 from the Sovereign camp, Woodmen of the World.

### Maccabees Managerial Changes

H. R. O'Connor, general field director of the Maccabees, has announced several managerial changes. G. W. Lewis, former Kansas manager, has been appointed Nebraska state manager, with headquarters at Lincoln; J. C. Bartram, Fort Smith, Ark., is now western Arkansas manager and Alta Lundy, Little Rock, eastern Arkansas manager; A. M. Coffin, Miami, is now Miami district manager instead of Florida state manager and O. V. Atkins, Tampa, has been appointed Tampa district manager.

The Ben Hur Life now has 12,000 juniors on its rolls.

### Modern Woodmen in Increase

New Business in January 19 Percent Ahead, Secretary Ray Reports; New Forms Used

New business of the Modern Woodmen in January was 19 percent greater than in the same month last year, and the junior new business was 15.6 percent greater. The number of suspensions and lapses greatly decreased in the last half of 1933, National Secretary J. G. Ray reports. He states the fraternal is in strong financial position, the management careful and conservative and investment policy second to none in the fraternal field.

Secretary Ray states new forms of certificates recently adopted meet the modern demand for not only death benefits for member's family, but guarantee of income to the assured for old age, furnishing a whole family protection, including children.

The Modern Woodmen has a new waiver of benefit payment option which went in effect on the new certificate forms in January and also is available in certificate forms A, B, C and D, but not on term insurance. The waiver in form of a rider provides that if a member becomes totally and permanently disabled, either from accident or disease, before reaching age 60, all benefit payments and dues will be waived during disability without deduction from any settlement. If disability continues until maturity of certificate, settlement is made in the same manner as if payments had been continued.

### Rates on Waiver Benefit

There is no limitation as to the amount of insurance on which the benefit is available. The rate is 15 cents per month per \$1,000 insurance. The waiver benefit is not issued to persons over 60. The rate of monthly payment on a \$500 certificate is 10 cents, on \$1,500 certificate 25 cents, on \$2,500 certificate 40 cents.

The automatic payment loan applies in benefit certificates, forms B, C, D, and the newer forms, G, H, I, J, K, L, M, and W. The loans bear 5 percent compound interest.

Benefit certificates issued after July, 1919, and still in force, may be converted without examination or change to one of the new forms within the prescribed age limits and amounts. Any member who has held his present forms A, B, C or D certificates more than three years will be entitled to a special rate because of the reserve value.

The Modern Woodmen wrote a total



of \$56,129,500 insurance last year under 38,657 certificates. The number of death claims was 10,053 and amount \$14,939,430. Cash disability claims aggregated \$4,198 for a total of \$795,600, junior death claims \$8,900, women's death claims \$42,500, double indemnity claims \$103,000, double indemnity benefits extra, \$101,375.

The annual statement of the Modern Woodmen shows assets \$42,260,729 of which 76.91 percent are bonds, 2.74 cash, 4.13 funds receivable from local camps, 2.6 mortgages, 7.81 real estate. Its reserves are \$35,999,375 and its surplus \$4,568,606. It gained in assets 15 percent. It has paid benefits since organization \$528,239,691.

### Benz Talks to Lions Club, Explains Fraternal Status

APPLETON, WIS., March 15.—Life insurance today stands impregnable as the world's outstanding safe and sound institution, A. O. Benz, president of the Aid Association for Lutherans, told members of the local Lions Club. Life insurance, he said, has held its own through every depression in the past, but during the last four years it went through one of the most severe tests in history and came through with flying colors.

In the past fraternal had inadequate rates, and members often were called on to pay assessments to meet claims. However, both types of life insurance now are based on adequate rates and the chief difference is the contract. Mr. Benz said that the fraternal feel that no emergency would arise which could not be met. Even should there be an emergency it would not be necessary to assess policyholders, because the funds would be taken from the reserves built up by each policy and they would be handled exactly like a policy loan.

Mr. Benz also gave the history and growth of the Aid Association for Lutherans, established in Appleton in

1902 without a dollar of assets. Today it has 2,187 local units, 114,000 members, \$131,359,000 of insurance in force, with an annual income of over \$4,000,000, and 500 field representatives.

Statement shows assets \$15,493,281, emergency reserve funds \$309,856, new business last year \$21,475,500, insurance in force \$131,359,169 as compared with \$125,863,134 the year before. It has paid to living policyholders since organization \$5,449,383 and to beneficiaries \$3,609,168.

### American Woodmen's New Office

The American Woodmen of Denver, the Negro fraternal, has now opened its own home office building at 2130 Downing street. The officers of the supreme camp, who were holding their mid-winter council in Denver, participated in the formal opening. L. H. Lightner is supreme commander, he having served 20 years as supreme clerk. Its assets are \$2,487,592.

### Ben Hur Life Makes Gains

Increases in new business written by the Ben Hur Life of Crawfordsville, Ind., were reported for January and February. An increase of 18 percent in total adult business and 83.2 percent in total number of new juniors was made, as compared with the same period last year. March marks the 40th anniversary of the founding of the association and the annual anniversary campaign for new business is now under way.

### Woodmen of World Figures

The Woodmen of the World, Omaha, last year issued more than \$50,000,000 insurance, showing an advance in the adult department alone of \$4,500,000. Death claims and other benefits to members and beneficiaries aggregated \$9,626,670. Operating expenses were reduced \$219,380, most of the items being fixed savings which hereafter, according to President De E. Bradshaw, will result in a saving of more than \$300,000 annually.

Assets were increased \$4,204,822, being \$115,319,963. Mr. Bradshaw reports the W. O. W. owns \$104,993,993 government, state, county, school and other municipal bonds; \$929,385 real estate, \$625,029 mortgages.

The Woodmen of the World wrote \$4,746,729 new business in January, in comparison with \$3,558,250 in the same month last year and \$3,193,000 in January, 1932.

### Becomes Illinois Standard

The Pike County Mutual Life of Perry, Ill., has changed its name to the Illinois Standard Mutual Life. This is a fraternal with a membership of 3,000 and about \$3,000,000 insurance in force. It recently changed to the legal reserve basis, American experience table 3½ percent. The head office will remain at Perry, Ill.

### To Meet in Milwaukee

The 20th biennial session of the Fidelity Life Association, formerly the Mystic Workers, will be held in Milwaukee, Sept. 18-20, President Arthur A. Bentley announces.

### Figures on Canadian Business

OTTAWA, CAN., March 15.—Life insurance written in Canada in 1933, as shown by reports to the dominion department, totaled \$578,613,159, a decrease of 11.4 percent from 1932. Ordinary was \$431,001,266, industrial \$134,262,844, and group \$13,349,049.

The total in force in Canada Dec. 31, 1933, was \$6,247,548,167, a decrease of 3.5 percent. Of this total \$4,160,271,570 was carried by Canadian companies and \$2,087,276,597 by United States and British companies.

Business in force in Canada of Canadian fraternal was \$118,005,740, and of foreign fraternal \$52,707,770.

## The A. O. U. W. of North Dakota

AMERICA goes back to work again in field, forest, and factory. We are proud to be doing our part. No matter in what business or line of individual activity a person may be engaged, now is the time to lift anchor and sail with the leaders, as business goes ahead. The new order of business calls for the qualities of thrift and enterprise, backed by confidence and a willingness to work. In the carrying out of such plans, the aid of the A. O. U. W. should be an integral part. Many years of operation on a Legal Reserve Basis places the A. O. U. W. of North Dakota in a prominent position, as one of the leaders in the life insurance field.

### Home Office: FARGO, NORTH DAKOTA

**BRADLEY C. MARKS**  
Grand Master Workman

**E. J. MOORE**  
Grand Recorder

# 1934

LEGAL RESERVE  
LIFE INSURANCE

### FORTY YEARS OF PROGRESS

Through forty years of constantly changing economic conditions the Ben Hur Life Association has made steady progress in the life insurance field. Today it stands stronger than ever, with assets of more than \$10,000,000 and a record of more than \$33,000,000 paid to policyholders and beneficiaries. This legal reserve fraternal life association enters the new era in better condition than at any time in its history, amply prepared to render even greater service to its policyholders.

Our line of certificates or policy contracts, contains all of the attractive and modern features of legal reserve protection. Fraternal activity is also available to those who desire it. A rapidly growing juvenile department and a home for aged and dependent policyholders are added features of Ben Hur service.

**Ben Hur Life Association**  
Crawfordsville, Ind.

John C. Snyder,  
President

Edwin M. Mason,  
Secretary

FOUNDED

# 1894

## WOODMEN OF THE WORLD

### Six Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income
- Juvenile

These contracts are participating, and provide all standard non-forfeiture options.



Operating for forty-four years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

Write for particulars and open territory to

**PETER F. GILROY, President**  
1447 TREMONT STREET  
DENVER, COLORADO

## Financial Independence Week

Congratulations, Mr. North, and  
Committee!

Your work has given the under-  
writing of life insurance a new  
and unusual stimulus that is  
bound to reflect itself in a more  
comprehensive service to the peo-  
ple of our Nation.

### JEFFERSON STANDARD LIFE INSURANCE COMPANY

JULIAN PRICE, *President* A. R. PERKINS, *Agency Manager*

Greensboro, North Carolina

### A 27 Year Old New Deal

**T**here is a lot of talk these days about  
low-cost pure protection. It is being  
advocated that investment features,  
when they are a part of a contract, be  
so included that they may be used with-  
out impairment of the Life Insurance.

The policies issued by this old, conser-  
vative Company have always been of  
this type. We are pleased to note the  
general trend toward the only kind of  
insurance we have ever offered.

Our agents are pioneers in the New Deal  
in Life Insurance which is shaping as  
definitely as it is in other things.

*Agency openings in  
Illinois, Indiana,  
Michigan and Missouri*

### BANKERS MUTUAL LIFE CO.

FREEPORT, ILLINOIS

*Founded in 1907*

## PACIFIC COAST AND MOUNTAIN

### Acacia Coast Agents Gather Shepard Has One-Day Drive

**President Montgomery Urges Conserva-  
tion Work—Announces 75 Percent  
Increase in Net Business**

SAN FRANCISCO, March 15.—Ap-  
proximately 100 agents and managers  
attended the annual Pacific Coast re-  
gional convention of the Acacia Mutual  
Life here. President William Mont-  
gomery was the principal speaker and  
in his honor an "On to 50 With You"  
campaign was launched. President  
Montgomery having recently completed  
40 years' service with the Acacia Mu-  
tual. S. R. Bowman, Pacific Coast su-  
pervisor, presided. G. S. Cutler, Oak-  
land, welcomed the delegates, with Man-  
ager C. C. Byers of Seattle, responding.  
Following a talk by Frank W. Bland,  
Pacific Coast manager of THE NATIONAL  
UNDERWRITER, on "Closing," President  
Montgomery discussed the financial po-  
sition of the company. He reported a  
15 percent increase in new sales for Jan-  
uary and February. On the basis of  
"net" new business, lapses being de-  
ducted, the Acacia had a 75 percent in-  
crease for the first two months, there  
being a decided reduction in the lapse  
ratio.

President Montgomery talked on  
"Quality Business from Quality  
Agents," emphasizing value of conserv-  
ing business. He strongly urged the  
solicitation of agents on a permanent  
basis, believing that more attention  
should be given to the serious minded  
producer rather than wasting money on  
the one or two case agent.

The following subjects were handled  
at the managers' meeting: "Back to  
Fundamentals" by Manager W. D. Fel-  
der, Portland; "Quality Agents," Man-  
ager B. L. Barnwell, Oakland; "Using  
Your Assistant Salesman," Manager C.  
K. Warren, Los Angeles; "Serving,"  
Manager M. H. W. Paulsen, Fresno;  
"Consistent Weekly Production," Man-  
ager B. A. Millsap, Portland; "Quality  
Business Through Income Presenta-  
tion," S. R. Bowman, Pacific Coast su-  
pervisor.

Service badges were awarded by  
President Montgomery.

President Montgomery will attend a  
regional convention at St. Louis for the  
central section, after which he will go  
to New York for an eastern regional  
meeting.

### Alexander in Los Angeles

LOS ANGELES, March 15.—William  
Alexander, secretary of the Equitable  
Life of New York, was here visiting the  
Kellogg Van Winkle and Alex. A. De-  
war agencies, leaving later for Phoenix,  
Ariz. He is on a vacation trip, accom-  
panied by his daughter, and came from  
New York to the Pacific Coast via the  
Panama Canal.

Approximately 250 members of the  
Kellogg Van Winkle agency attended a  
luncheon in honor of Mr. Alexander.  
Mr. Van Winkle presided and reported  
that during the two weeks of his ab-  
sence on a trip to the home office, the  
agency produced \$1,247,000 of new busi-  
ness, represented by 210 cases, or al-  
most \$100,000 a day.

Mr. Alexander discussed the record  
of the Equitable Life and of the insti-  
tution of life insurance in so success-  
fully weathering the economic storm.  
He directed attention to the magnitude  
of the existing opportunity for life un-  
derwriters to extend the service of life  
insurance. Other speakers were W. H.  
Glines, western superintendent of agen-  
cies; P. A. Powell, field assistant at  
Riverside; Richard Berlin, Redlands dis-  
trict manager; C. J. Thrower, group de-  
partment; R. F. E. Weidemann, Holly-  
wood district manager, and a number of  
leading producers.

**Lincoln National Life General Agent at  
Los Angeles Meets With Success  
in Campaign**

W. T. Shepard, former vice-president  
of the Lincoln National and now gen-  
eral agent for southern California at  
Los Angeles, conducted a highly suc-  
cessful one-day drive obtaining \$290,000  
business with 84 applications. Plans had  
been carefully laid two weeks prior to  
the date, all agents having submitted  
a list of prospects to whom a special  
letter was sent. The day started off  
with a special breakfast presided over  
by Mr. Shepard, the feature speaker  
being H. M. Hoyt, general agent North-  
ern Life of Seattle. The drive started  
at 7 a. m. and at midnight the agency  
force gathered in the office for refresh-  
ments and to listen to the results.

### Great Southern to Enter Coast

F. W. Griffin, vice-president and man-  
ager of agencies of the Great Southern  
Life, is taking a leave of absence from  
the home office to do some special work  
on the Pacific Coast with the view of  
the company's entrance into these  
states.

### Has Big 18-Hour Drive

LOS ANGELES, March 15.—The  
home office agency of the Pacific Mu-  
tual Life, J. H. Russell, manager, in  
cooperation with the local accident  
agency, Paschall-Gist Company, recently  
scheduled an 18-hour drive, from 6 a. m.  
to midnight for new business. On that  
day 217 applications were received from  
88 producers totaling \$28,031 in pre-  
miums, as follows: Life insurance, 150  
applications, \$25,650 premiums; 67 ac-  
cident applications, \$2,380 premiums.

### Life Company Features to Fire Company Receivership

A receiver was appointed Tuesday by  
Judge Friend in Chicago for the Fire In-  
surance Company of Chicago, thus  
bringing to a close the history of a  
company, which was ambitiously conceived  
in the boom days, fell into the hands of  
stock jobbers and manipulators and  
finally degenerated into a holding com-  
pany for stock of other insurance com-  
panies. H. B. Hershey, official liquida-  
tor for the Illinois insurance department,  
is the receiver.

Petition for a receiver was brought at  
the instance of the Illinois department  
on the grounds that the company has  
not written any policies for a year in  
contravention of the statute. Attorney  
Charles Rundall for the company ad-  
mitted that allegation and the petition  
was not resisted.

The organization work of the com-  
pany was started by H. W. Letton, who  
was manager of the Netherlands and  
vice-president of the Great Lakes of  
Chicago. He was backed by some  
prominent Chicago men. Professional  
stock selling methods were used. Later  
on Mr. Letton was dethroned and Darby  
A. Day, prominent life insurance man,  
came into the picture as the chief fac-  
tor. Then it was announced that P. W.  
Chapman & Co. became the controlling  
influence. When Mr. Letton was retired  
the assets were in excellent shape. Then  
a holding company of St. Louis, headed  
by Massey Wilson, who was formerly  
president of the International Life, got  
control. The assets now consist largely  
of stock of the Federal Reserve Life of  
Kansas City, Kan., Iowa National Fire  
and Agricultural Life of Michigan. It  
had an authorized capital of \$2,000,000  
and a proposed surplus of \$3,000,000.



# SALES IDEAS AND SUGGESTIONS

## Ill Trained, Incompetent Agents Make Selling More Difficult for Men Who Know Business: Ream

The public believes in life insurance as it never has before, but sales resistance resulting from the activities of poorly trained and incompetent agents is frequently met, J. Franklin Ream, assistant superintendent of agencies Mutual Benefit, stated in an open discussion at the March meeting of the Life Agency Supervisors Association, Chicago. Such agents make the selling task more difficult for the others who know their business.

Mr. Ream said first a new man must be well selected. If agencies take the run-of-mine individuals for agents, trouble will be experienced. The second important test is instruction. New agents must be well informed and well drilled, Mr. Ream said.

### Motivation Training Is Important for Agents

The sale of insurance is a process involving action. General agents and managers cannot merely give new men ideas, nor is it sufficient for the agent to have a broad comprehension of life insurance. The field end of the business inevitably comes down to a task of selling the policy. The prospect is static. The agent must motivate him. Mr. Ream made the point that one cannot learn to swim by reading a book of instruction.

He considers a third vital element in agency training to be the stimulation

of enthusiasm in the selling process. This enthusiasm must come from knowledge of the vital place that life insurance holds in society, from confidence in the institution, the company, the agency and the agent himself. Mr. Ream said the agent must be set on fire. He must be impressed with his social importance. Mere instruction should be held to a minimum. Too much of this brings confusion and few new men who are overtrained can succeed.

### Consider Men Should Have Pride in Profession

The general discussion revolved around the same subject, with Vincent Burke, supervisor Heifetz agency Mutual Life of New York, Chicago, as chairman. Mr. Burke said the new man should be trained to have a pride in the business and feel its dignity. If the new man sits around the office and listens to discussions of taxation, complicated trust and estate settlement arrangements, etc., he becomes confused and fearful of his ability to go ahead.

A good short training course for new agents, Mr. Burke said, might in the first day show what life insurance is and does, its status as property and the need which it fills; second day, rate book study, third day prospecting, the agent to list 100 names. Mr. Burke urged the two-call system of selling, the first interview for information and

examination and the second for the sale. He said that effective early production depends largely on the agent's mental condition.

### Enthusiasm Essential to Succeed in Business

The consensus was that enthusiasm for the sale must be developed in the agents if they are to succeed. This is an emotion that is contagious. Without it the prospect is motivated only with difficulty.

A new agent learns either the right or wrong method in four ways: By trial

and error, reading, being told and watching others. The supervisor's responsibility is to direct the agent in the proper channel, to make sure that his instruction is along lines that will develop prospects of an age, station in life, etc., for which the agent will be suited; to encourage the agent to read books, trade publications, etc.

A. H. Hiatt, assistant general agent Aetna Life, was elected secretary-treasurer of the association, succeeding Z. C. Yates, who resigned following his appointment as St. Paul manager Union Central.

## Production of 12 Average Men



KANSAS CITY, March 15.—In 1933 V. W. Wiedemann, Kansas City manager of the Sun Life of Canada, conducted an interesting and revealing statistical experiment.

At the beginning of the year he selected 12 average men from his agency. Some of them were new men, some old; some were good producers, some only fair. From week to week he graphed the calls, presentations, tried to close, new prospects and business closed as shown by their detailed daily reports. (The

actual number of applications, amount of business, etc., are not necessary to an appreciation of the value of the graph.)

The graph was kept on a large, five-by-two-foot board in the agency room, and the accompanying illustration shows how it looked at the end of the year. "Closed" business is represented by the line at the bottom of the illustration, and new prospects by the bottom one of the first four lines.

This running picture of effort and re-

## General Agency Openings:

During 1933 our Company established twelve new General Agencies that are functioning in a very creditable manner. This showing proves the merit of our method of promoting the progress and prosperity of new General Agencies.



We are particularly interested in further development in Iowa, Ohio and Pennsylvania. If you are interested, we invite your correspondence.

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## GUARDIAN LIFE NEWS

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OVER JANUARY 1933 IN PAID-FOR-BUSINESS.**

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AND THE "SINGLE PREMIUM SPECIAL INCOME  
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